

RECORDATION NO. 12281-A

RECORDATION NO. 12281-B

RECORDATION NO. 12281

OCT 8 - 1980-2 50 PM

OCT 8 - 1980-2 50 PM

OCT 8 - 1980-2 50 PM

CRAVATH SWAIN & MOORE

INTERSTATE COMMERCE COMMISSION

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RECORDATION NO. 12281-C
OCT 8 - 1980-2 50 PM
INTERSTATE COMMERCE COMMISSION

0-2824107

Date OCT 8 1980

Fee \$ 150.00

October 7, 1980

RECORDATION NO. 12281-D

OCT 8 - 1980-2 50 PM

ICG Washington, D. C.

Cargill, Incorporated

INTERSTATE COMMERCE COMMISSION
Lease Financing Dated as of June 15, 1980
9.95% Conditional Sale Indebtedness Due 1996

Dear Ms. Mergenovich:

Pursuant to 49 U.S.C. § 11303(a) and the Commission's rules and regulations thereunder, enclosed for filing and recordation on behalf of Cargill, Incorporated are counterparts of the following documents:

1. (a) Conditional Sale Agreement dated as of June 15, 1980, between North American Car Corporation and Exchange National Bank of Chicago, as Trustee;

(b) Agreement and Assignment dated as of June 15, 1980, between North American Car Corporation and La Salle National Bank, as Agent;

2. (a) Lease of Railroad Equipment dated as of June 15, 1980, between Cargill, Incorporated and Exchange National Bank of Chicago, as Trustee;

(b) Assignment of Lease and Agreement dated as of June 15, 1980, between Exchange National Bank of Chicago, as Trustee, and La Salle National Bank, as Agent; and

3. Agreement dated as of June 15, 1980, among Cargill, Incorporated,

New Member
A
B
C
D
Cargill, Inc.

RECEIVED
OCT 8 2 45 PM '80

Exchange National Bank of Chicago, as Trustee, La Salle National Bank, as Agent, and North American Car Corporation.

The names and addresses of the parties to the aforementioned Agreements are as follows:

(1) Vendor:

North American Car Corporation
222 South Riverside Plaza
Chicago, Illinois 60606

(2) Vendee-Trustee:

Exchange National Bank of Chicago
130 South LaSalle Street
Chicago, Illinois 60690

(3) Agent:

La Salle National Bank
135 South LaSalle Street
Chicago, Illinois 60690

(4) Lessee:

Cargill, Incorporated
15407 McGinty Road, Department 21
Minnetonka, Minnesota 55343.

Please file and record the documents referred to above and index them under the names of the Vendor, the Vendee-Trustee, the Agent and the Lessee.

The equipment covered by the aforementioned documents consists of the following:

(145 4,750 cubic foot lined covered hopper cars,
AAR Mechanical Designation LO, bearing identifying
numbers NAHX 485876-486020, both inclusive.

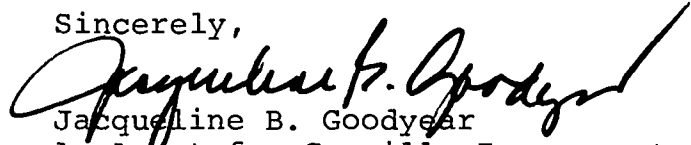
Also enclosed is a check for \$150 payable to the Interstate Commerce Commission, representing the fee for recording the Conditional Sale Agreement and related Agreement and Assignment (together constituting one document), the Lease of Railroad Equipment and related Assign-

ment of Lease and Agreement (together constituting one document) and the Agreement.

Please stamp all counterparts of the enclosed documents, retain one copy of the documents for your files and forward the remaining counterparts to me.

Thank you for your assistance.

Sincerely,


Jacqueline B. Goodyear
As Agent for Cargill, Incorporated

Ms. Agatha L. Mergenovich,
Interstate Commerce Commission,
Washington, D.C. 20423

Encl.

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Interstate Commerce Commission
Washington, D.C. 20423

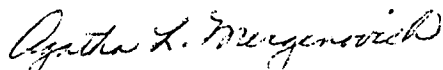
OFFICE OF THE SECRETARY

Jacqueline B. Goodyear
Cravath, Swaine & Moore
One Chase Manhattan Plaza
New York, N. Y. 10006

Dear Madam:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 10/8/80 at 2:50PM, and assigned re-recording number(s). 12281, 12281-A, 12281-B, 12281-C, & 12281-D.

Sincerely yours,


Agatha L. Mergenovich
Secretary

Enclosure(s)

OCT 8 - 1900-2 00 PM

INTERSTATE COMMERCE COMMISSION

[CS&M Ref. 4876-024]

CONDITIONAL SALE AGREEMENT

Dated as of June 15, 1980

Between

NORTH AMERICAN CAR CORPORATION

and

EXCHANGE NATIONAL BANK OF CHICAGO,
not in its individual capacity but solely
as Trustee under a Trust Agreement dated
as of the date hereof with
The Bank of New York.

[Covering 145 Covered Hopper Cars]

9.95% Conditional Sale Indebtedness Due 1996

CONDITIONAL SALE AGREEMENT

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* This Table of Contents has been provided for convenience only and does not affect any interpretation of this document.

CONDITIONAL SALE AGREEMENT dated as of June 15, 1980, between NORTH AMERICAN CAR CORPORATION, a Delaware corporation ("NACC" or "Vendor" as the context may require, as set forth in Section 1.3 hereof), and EXCHANGE NATIONAL BANK OF CHICAGO, a national banking association, acting not in its individual capacity but solely as trustee (the "Vendee") under a Trust Agreement dated as of the date hereof (the "Trust Agreement") with THE BANK OF NEW YORK (the "Owner").

NACC has agreed to conditionally sell and deliver to the Vendee and the Vendee has agreed to purchase from NACC the railroad equipment described in Annex B hereto (the "Equipment").

The Vendee is entering into a Lease of Railroad Equipment with CARGILL, INC. (the "Lessee"), in substantially the form of Annex C hereto (the "Lease").

LA SALLE NATIONAL BANK (the "Assignee") is acting as agent for a certain investor pursuant to a Participation Agreement dated as of the date hereof (the "Participation Agreement") among the Lessee, the Assignee, the Vendee, the Owner and State of Wisconsin Investment Board (the "Investor" and, together with its assignees, the "Investors").

In consideration of the agreements hereinafter set forth, the parties hereto hereby agree as follows:

ARTICLE 1

ASSIGNMENT; DEFINITIONS

1.1. Contemplated Sources of Purchase Price; Assignment. The parties hereto contemplate that the Vendee will furnish 32.9% of the Purchase Price (as defined in Section 4.1 hereof) of the Equipment and that an amount equal to the balance of the Purchase Price shall be paid to NACC by the Assignee pursuant to an Agreement and Assignment dated as of the date hereof (the "CSA Assignment") between NACC and the Assignee.

1.2. Lease Assignment. As security for the payment and performance of all the Vendee's obligations hereunder, the Vendee will assign to the Assignee certain of its rights, title and interest in and to the Lease pursuant to an Assignment of Lease and Agreement in substantially the form of Annex D hereto (the "Lease Assignment") and the Lessee will acknowledge and consent thereto pursuant to a Consent and Agreement in substantially the form attached to the Lease Assignment (the "Consent").

1.3. Meaning of "NACC" and "Vendor". The term "NACC", whenever used in this Agreement, means, both before and after any assignment of its rights hereunder, North American Car Corporation and any successor or successors for the time being to its properties and business. The term "Vendor", whenever used in this Agreement, means NACC before any such assignment, and, after any such assignment, both any assignee as regards any assigned rights, and also any assignor as regards any rights hereunder that are retained or excluded from any assignment.

ARTICLE 2

CONSTRUCTION AND SALE

NACC has contracted with Ingalls Ship Building Division of Litton Industries, Inc. ("Ingalls") for the assembly of the Equipment and, following such assembly, NACC will sell and deliver the Equipment to the Vendee, and the Vendee will purchase from NACC and accept delivery of and pay for the Equipment. Each unit of Equipment shall be constructed in accordance with the specifications referred to in Annex B hereto and in accordance with such modifications thereof as may be agreed upon in writing between NACC, the Vendee and the Lessee (such specifications and any modifications are called the "Specifications"). NACC represents and warrants that (i) the design, quality and component parts of each unit of the Equipment to be delivered by NACC under this Agreement shall conform, on the date of delivery and acceptance thereof, to all United States Department of Transportation and Interstate Commerce Commission requirements and specifications and to all standards, if any, recommended by the Association of American Railroads reasonably interpreted as being applicable to railroad equipment of the character of such unit,

(ii) none of such component parts will be used components, (iii) none of such units will have been used so as to preclude the original use thereof by the Vendee within the meaning of Sections 48(b)(2) and 167(c)(2) of the Internal Revenue Code of 1954 ("Code") and (iv) each unit of the Equipment will be "new section 38 property" within the meaning of the Code when acquired by the Vendee.

ARTICLE 3

INSPECTION AND DELIVERY

3.1. Place of Delivery. NACC will deliver to the Vendee the units of the Equipment at the place or places specified in Annex B hereto (or if Annex B does not specify a place or places, at the place or places designated from time to time by the Vendee), freight charges and storage charges, if any, prepaid, in accordance with the delivery schedule set forth in Annex B hereto; provided, however, that NACC shall not have any obligation to deliver any unit of Equipment hereunder to the Vendee subsequent to the commencement of any proceedings specified in clause (c) or (d) of Section 16.1 hereof; subsequent to the occurrence of any event of default (as described in Section 16.1 hereof) or event which, with the lapse of time and/or demand, could constitute such an event of default; or subsequent to any notice to NACC that the Assignee shall not make or has not made payment for any unit assigned to it pursuant to the CSA Assignment, unless NACC has been assured to its satisfaction that it will receive on the Closing Date (as defined in Section 4.2 hereof) the full Purchase Price thereof. NACC agrees not to deliver any unit of Equipment hereunder (a) following receipt of written notice from the Vendee or the Assignee of the commencement of any such proceedings or the occurrence of any such event or (b) until it receives notice from the Assignee and the Vendee that the respective conditions contained in Paragraphs 7 and 8 of the Participation Agreement have been met.

3.2. Force Majeure. NACC's obligation as to time of delivery are subject to delays resulting from causes beyond NACC's reasonable control, including but not

limited to acts of God, acts of government such as embargoes, priorities and allocations, war or war conditions, riot or civil commotion, sabotage, strikes, differences with workmen, accidents, fire, flood, explosion, damage to plant, equipment or facilities, delays in receiving necessary materials or delays of carriers or subcontractors, or the failure of Ingalls to assemble and deliver the Equipment to NACC.

3.3. Exclusion of Equipment. Any Equipment not delivered pursuant to Section 3.1 hereof and any Equipment not delivered and accepted hereunder for any reason on or before December 31, 1980, shall be excluded from this Agreement, the Vendee shall be relieved of its obligation to purchase and pay for such Equipment, and the parties hereto shall execute an agreement supplemental hereto limiting this Agreement to the Equipment not so excluded. In the event of any such exclusion of any unit of Equipment herefrom pursuant to the foregoing provisions of this Section 3.3 or pursuant to Section 4.1 hereof, or in the event the Vendee is relieved of its obligation hereunder to accept or pay for any or all units of Equipment in accordance with the terms and conditions hereof for any reason whatsoever, the Lessee will be obligated to accept all such units completed and delivered by NACC and to pay the full purchase price therefor when due, all in accordance with the terms of its prior contractual arrangements with NACC relating to the Equipment (the "Purchase Order"). The Vendee agrees upon any such exclusion to take such steps, including the execution of instruments of transfer, as it may be reasonably requested by the Lessee for the purpose of acknowledging and perfecting the interest of the Lessee in any unit of Equipment so excluded from this Agreement, and the Vendee shall have no further obligation or liability in respect of units so excluded.

3.4. Inspection. During construction, the Equipment shall be subject to inspection and approval by the authorized inspectors of the Vendee (who may be employees or agents of the Lessee), and NACC shall cause Ingalls to grant to such authorized inspectors reasonable access to its plant, subject, however, to the usual rules and regulations of Ingalls. NACC agrees to inspect the materials used in the construction of the Equipment in accordance with the standard quality control practices of NACC. Upon or after completion of each unit or of a number of units of the Equipment, such unit or units shall be presented to an authorized inspector for the Vendee for inspection at the place specified for delivery of such unit or units, and if each such unit conforms to the Specifications and require-

ments and standards applicable thereto, such authorized inspector shall execute and deliver to NACC a certificate of acceptance ("Certificate of Acceptance") stating that such unit or units have been inspected and accepted on behalf of the Vendee and are marked in accordance with Section 10.1 hereof; provided, however, that NACC shall not thereby be relieved of any of its warranties set forth herein. The Vendee hereby appoints the Lessee its agent to inspect and accept delivery of the Equipment. Acceptance of any unit of Equipment by the Lessee pursuant to § 2 of the Lease shall be deemed to be acceptance of such unit by the Vendee hereunder.

3.5. NACC's Responsibilities After Delivery.

On delivery to and acceptance by the Vendee hereunder of a unit of Equipment at the place specified for delivery, NACC shall have no further responsibility for nor bear any risk of any damage to or the destruction or loss of such unit; provided, however, that NACC shall not thereby be relieved of any of its warranties set forth herein.

ARTICLE 4

PURCHASE PRICE AND PAYMENT

4.1. Meaning of "Purchase Price"; Exclusion of Units. The base price or prices per unit of the Equipment are set forth in Annex B hereto. Such base price or prices are subject to such increase or decrease as may be agreed to by NACC, the Vendee and the Lessee. The "Purchase Price" as used herein shall mean the base price or prices as so increased or decreased as set forth in the invoice or invoices of NACC delivered to the Vendee (the "Invoice"), and, if the Purchase Price is greater than the base price or prices set forth in said Annex B, the Invoice shall be accompanied by or have endorsed thereon the agreement or approval of the Lessee and the Vendee. If on any Closing Date the aggregate Purchase Price of Equipment for which settlement has theretofore been and is then being made would, but for the provisions of this sentence, exceed the Maximum Purchase Price specified in Item 5 of Annex A hereto (or such higher amount as to which the Vendee and the Lessee may have agreed prior to the delivery of the Equipment being settled for on such Closing Date), NACC, the Assignee and the Vendee will enter into an agreement effective as of the date of acceptance thereof excluding from this Agreement such unit or units of Equipment then proposed to be settled for and specified by the Vendee and

the Lessee as will, after giving effect to such exclusion, reduce such aggregate Purchase Price to not more than said Maximum Purchase Price (or such higher amount as aforesaid) and the Vendee shall have no further obligation or liability in respect of units so excluded.

4.2. Settlement and Closing Dates. The Equipment shall be settled for in such number of groups of units of Equipment ("Groups") delivered to and accepted by the Vendee as is provided in Item 2 of Annex A hereto. The term "Closing Date" with respect to any Group shall be such date as is specified by the Lessee by 10 days' written notice thereof to and with the concurrence of the Vendee, the Assignee and NACC, but in no event shall such Date be later than December 31, 1980. Such notice shall specify the aggregate Purchase Price of such Group. At least five business days prior to the Closing Date with respect to a Group, NACC shall present to the Vendee the Invoices for the Equipment to be settled for. The term "business day" as used herein means any calendar day, excluding Saturdays, Sundays and any other day on which banking institutions in Chicago, Illinois, Minneapolis, Minnesota or New York, New York, are authorized or obligated to remain closed.

4.3. Indebtedness of Vendee to Vendor. Subject to the terms of this Agreement, the Vendee hereby acknowledges itself to be indebted to the Vendor in the amount of the Purchase Price of the Equipment, and hereby promises to pay the same in cash or immediately available funds to the Vendor at such place as the Vendor may designate, as follows:

(a) not later than 1 p.m., Chicago time, on the Closing Date with respect to each Group an amount equal to 32.9% of the aggregate Purchase Price of the units of Equipment in such Group; and

(b) in 180 monthly installments, as hereinafter provided, an amount equal to the aggregate Purchase Price of the units of Equipment for which settlement is then being made, less the aggregate amount paid or payable with respect thereto pursuant to subsection (a) of this Section (said portion of the aggregate Purchase Price payable in installments is called the "CSA Indebtedness").

4.4. CSA Indebtedness; Payment Dates; Interest.
(1) The installments of the CSA Indebtedness shall be payable monthly on the 15th day of each month, commencing

on the 15th day of the month following the Interim Payment Date (as defined below) (each such date is called a "Payment Date"). The unpaid balance of the CSA Indebtedness shall bear interest from the Closing Date in respect of which such indebtedness was incurred at the rate of 9.95% per annum. Interest on the unpaid balance of CSA Indebtedness shall be payable to the extent accrued on the 15th day of the month next succeeding the last Closing Date hereunder (the "Interim Payment Date") and on each Payment Date thereafter. The amounts of CSA Indebtedness payable on each Payment Date shall be calculated to be substantially in proportion to the amount and allocation of principal and interest on such Payment Date set forth in Schedule I hereto and the aggregate of such installments of principal shall completely amortize the CSA Indebtedness at maturity. The Vendee will furnish to the Vendor and the Lessee promptly after the last Closing Date a schedule showing the respective amounts of principal and interest payable on each Payment Date.

(2) If any of the dates for payment of principal or interest is not a business day, such payment shall be payable on the next succeeding business day.

4.5. Calculation of Interest. Interest under this Agreement shall be calculated on the basis of a 360-day year of 12 30-day months, except that interest payable on the Interim Payment Date shall be computed on an actual elapsed day, 365-day year, basis.

4.6. Penalty Interest. The Vendee will pay interest at the rate of 10.95% per annum (the "Penalty Rate") upon all amounts remaining unpaid after the same shall have become due and payable pursuant to the terms hereof, or such lesser amount as shall be legally enforceable.

4.7. Currency of Payment. All payments provided for in this Agreement shall be made in such coin or currency of the United States as at the time of payment shall be legal tender for the payment of public and private debts. Except as provided in Article 7 or Section 16.1 hereof, the Vendee shall not have the privilege of prepaying any portion of the CSA Indebtedness prior to the date it becomes due.

4.8. Liability of Vendee Limited to "Income and Proceeds from Equipment"; Limitation on Execution of Judgments. Notwithstanding any other provision of this Agreement (including but not limited to any provision of

Articles 16 and 17 hereof, except as set forth in this Section 4.8), but not limiting the effect of Article 23 hereof, the liability of the Vendee or any assignee of the Vendee for all payments to be made by it under and pursuant to this Agreement, with the exception only of the payments to be made pursuant to Section 4.3(a) hereof (which shall be made by the Vendee solely from funds provided to the Vendee by the Owner for the purpose of enabling the Vendee to make such payments) and the proviso to Section 13.3 hereof, shall not exceed an amount equal to and shall be payable only out of the "income and proceeds from the Equipment", and such payments shall be made by the Vendee only to the extent that the Vendee or any assignee of the Vendee shall have actually received sufficient "income and proceeds from the Equipment" to make such payments. Except as provided in the preceding sentence, NACC and the Vendor agree that the Vendee shall have no liability to make any payments under this Agreement whatsoever except from the "income and proceeds from the Equipment" to the extent actually received by the Vendee or any assignee of the Vendee. As used herein the term "income and proceeds from the Equipment" shall mean

(i) if one of the events of default specified in Section 16.1 hereof shall have occurred and while it shall be continuing, so much of the following amounts as are indefeasibly received by the Vendee or any assignee of the Vendee at any time after any such event and during the continuance thereof: (a) all amounts of rental and amounts in respect of any Casualty Occurrence (as defined in Section 7.2 hereof) paid for or with respect to the Equipment pursuant to the Lease and any and all other payments received under § 13 or any other provision of the Lease (except any indemnity paid or payable to the Vendee in its individual capacity pursuant to § 6 or 12 of the Lease and any liability insurance proceeds payable to the Vendee under § 7 of the Lease) and (b) any and all payments or proceeds received for or with respect to the Equipment as the result of the sale, lease or other disposition thereof, after deducting all costs and expenses of such sale, lease or other disposition; and

(ii) at any other time only that portion of the amounts referred to in the foregoing clauses (a) and (b) as are indefeasibly received by the Vendee or any assignee of the Vendee and as shall equal the portion of the CSA Indebtedness (including prepayments thereof

required in respect of any Casualty Occurrence) and/or interest thereon due and payable on the date such amounts were required to be paid pursuant to the Lease or as shall equal any other payments then due and payable under this Agreement;

it being understood that "income and proceeds from the Equipment" shall in no event include amounts referred to in the foregoing clauses (a) and (b) which were received by the Vendee or any assignee of the Vendee prior to the existence of such an event of default which exceeded the amounts required to discharge that portion of the CSA Indebtedness (including prepayments thereof required in respect of any Casualty Occurrence) and/or interest thereon due and payable on the date on which amounts with respect thereto received by the Vendee or any assignee of the Vendee were required to be paid to it pursuant to the Lease or which exceeded any other payments due and payable under this Agreement at the time such amounts were payable under the Lease. Nothing contained herein limiting the liability of the Vendee shall derogate from the right of the Vendor to proceed against the Equipment as provided for herein for the full unpaid Purchase Price of the Equipment and interest thereon and all other payments and obligations hereunder. Notwithstanding anything to the contrary contained in Article 16 or 17 hereof, the Vendor agrees that in the event it shall obtain a judgment against the Vendee for an amount in excess of the amounts payable by the Vendee pursuant to the limitations set forth in this paragraph, it will limit its execution of such judgment to amounts payable pursuant to the limitations set forth or referred to in this paragraph.

ARTICLE 5

SECURITY INTEREST IN EQUIPMENT

5.1. Vendor To Retain Security Interest; Accessories Are Part of Equipment. The Vendor hereby retains a security interest in the Equipment until the Vendee shall have made all its payments under this Agreement and shall have kept and performed all its agreements herein contained, notwithstanding any provision of this Agreement limiting the liability of the Vendee and notwithstanding the delivery of the Equipment to and the possession and use thereof by the Vendee and the Lessee as provided in this Agreement and the Lease. Such retention of a security interest is solely to secure performance by the Vendee of

its obligations under this Agreement (without regard to any provision of this Agreement limiting the liability of the Vendee), and, subject thereto, ownership of the Equipment shall upon delivery and acceptance pass to and remain in the Vendee subject to such performance. Any and all parts installed on and additions and replacements made to any unit of the Equipment (i) which are not readily removable without causing material damage to such unit, (ii) the cost of which is included in the Purchase Price of such unit or (iii) which are required for the operation or use of such unit by the Association of American Railroads, the Interstate Commerce Commission, the United States Department of Transportation or any other applicable regulatory body, shall constitute accessions to the Equipment and shall be subject to all the terms and conditions of this Agreement and included in the term "Equipment" as used in this Agreement.

5.2. Obligations upon Payment of CSA Indebtedness.

Except as otherwise specifically provided in Article 7 hereof, when and only when the Vendor shall have been paid the full indebtedness in respect of the Purchase Price of the Equipment, together with interest and all other payments as herein provided, ~~absolute~~ right to the possession of, title to and property in the Equipment shall ~~pass to and~~ *become absolute* *ref* *7/11* ~~vest~~ in the Vendee without further transfer or action on the part of the Vendor, except that the Vendor, if so requested by the Vendee at that time, will, at the Vendee's expense, (a) execute an instrument releasing its security interest in the Equipment and transferring such interest to the Vendee or upon its order, free of all liens, security interests and other encumbrances created or retained hereby and deliver such instrument to the Vendee at its address referred to in Article 22 hereof, (b) execute and deliver at the same place, for filing in all necessary public offices, such instrument or instruments in writing as may be necessary or appropriate in order then to make clear upon the public records the title of the Vendee to the Equipment and (c) pay to the Vendee any money paid to the Vendor pursuant to Article 7 hereof and not theretofore applied as therein provided. The Vendee hereby waives and releases any and all rights existing or that may be acquired in or to the payment of any penalty, forfeit or damages for failure to execute and deliver such instrument or instruments or to file any certificate of payment in compliance with any law or statute requiring the filing of the same, except for failure to execute and deliver such bill or bills of sale or instrument or instruments or to file such certificate within a reasonable time after written demand by the Vendee.

ARTICLE 6

TAXES

6.1. General Tax Indemnification. Whether or not any of the transactions contemplated hereby are consummated, the Vendee agrees to pay and to indemnify and hold the Vendor harmless from all Taxes (as defined in § 6 of the Lease); excluding, however, (i) Taxes of the United States or any state or political subdivision thereof and (if and to the extent that any person indemnified hereunder is entitled to a credit therefor against its United States Federal income taxes) of any foreign country or subdivision thereof, imposed on or measured solely by the net income or excess profits of the Vendor, other than Taxes arising out of or imposed in respect of the receipt of indemnification payments pursuant to this Agreement; provided that such Taxes of any foreign country or subdivision thereof incurred as a result of the indemnified party being taxed by such foreign country or subdivision on its worldwide income without regard to the transactions contemplated by this Agreement shall be excluded whether or not the indemnified party is entitled to a credit against its United States Federal income taxes; (ii) any Taxes imposed on or measured by any fees or compensation received by the Vendor; and (iii) Taxes which are imposed on or measured solely by the net income of the Vendor if and to the extent that such Taxes are in substitution for or reduce the Taxes payable by any other person which the Vendee has not agreed to pay or indemnify against pursuant to this Article 6; provided, however, that the Vendee shall not be required to pay any Taxes during the period it may be contesting the same in the manner provided in Section 6.2 hereof.

6.2. Claims; Contests; Refunds. If claim is made against the Vendor for any Taxes indemnified against under this Article 6, the Vendor shall promptly notify the Vendee. If reasonably requested by the Vendee in writing, the Vendor shall, upon receipt of any indemnity satisfactory to it for all costs, expenses, losses, legal and accountants' fees and disbursements, penalties, fines, additions to tax and interest, and at the expense of the Vendee, contest in good faith the validity, applicability or amount of such Taxes by (a) resisting payment thereof if possible, (b) paying the same under protest, if protest is necessary and proper, and (c) if payment is made, using reasonable efforts to obtain a refund thereof in appropriate administrative or judicial proceedings, or both. The Vendee may

also contest, at its own expense, the validity, applicability or amount of such Taxes in the name of the Vendor; provided that no proceeding or actions relating to such contest shall be commenced (nor shall any pleading, motion, brief or other paper be submitted or filed in the name of the Vendor in any such proceeding or action) without the prior written consent of the Vendor, which consent shall not be unreasonably withheld. If the Vendor shall obtain a refund of all or any part of such Taxes previously reimbursed by the Vendee in connection with any such contest or an amount representing interest thereon, the Vendor shall pay the Vendee the amount of such refund or interest net of expenses; provided, however, that no event of default set forth in Section 16.1 hereof and no event which with notice or lapse of time or both would constitute such an event of default shall have occurred and be continuing.

6.3. Reports or Returns. In case any report or return is required to be made with respect to any obligation of the Vendee under or arising out of this Article 6, the Vendee shall either make such report or return in such manner as will show the interests of the Vendor in the Equipment or shall promptly notify the Vendor of such requirement and shall make such report or return in such manner as shall be satisfactory to the Vendor. All costs and expenses (including legal and accountants' fees) of preparing any such return or report shall be borne by the Vendee.

6.4. Survival. All of the obligations of the Vendee under this Article 6 shall survive and continue, notwithstanding payment in full of all other amounts due under this Agreement.

ARTICLE 7

MAINTENANCE AND CASUALTY OCCURRENCES

7.1. Maintenance. The Vendee shall, at its own cost and expense, maintain and keep each unit of the Equipment in good operating order and repair, ordinary wear and tear excepted.

7.2. Casualty Occurrences. In the event that any unit of Equipment shall suffer a Casualty Occurrence (as defined in § 7 of the Lease), the Vendee shall, promptly after it shall have received notice from the Lessee or

has otherwise been informed that such unit has suffered a Casualty Occurrence, cause the Vendor to be fully informed in regard thereto. On the next succeeding date for the payment of an installment on the CSA Indebtedness after such notice from the Lessee has been received (each such date is called a "Settlement Date"), the Vendee shall, subject to the limitations contained in Section 4.8 hereof, pay to the Vendor a sum equal to the Casualty Value (as defined in Section 7.3 hereof) of such unit, together with an amount equal to accrued interest thereon as hereinafter provided. The Vendee shall file or cause to be filed with the Vendor a certificate setting forth the Casualty Value of such unit. Any money paid to the Vendor pursuant to this Section shall be applied (after the payment of principal and interest due on such date in respect of CSA Indebtedness not being prepaid) to prepay the CSA Indebtedness, without penalty or premium, ratably in accordance with the unpaid balance of each installment, together with all interest accrued on the portion of the CSA Indebtedness being prepaid. The Vendee shall promptly cause to be furnished to the Vendor and the Lessee a revised schedule of payments of principal and interest thereafter to be made, calculated as provided in Section 4.4 hereof.

7.3. Casualty Value. The Casualty Value of each unit of the Equipment suffering a Casualty Occurrence shall be deemed to be that portion of the original Purchase Price thereof referred to in Section 4.3(b) hereof remaining unpaid on the respective Settlement Date (without giving effect to any prepayment or prepayments theretofore made under this Article with respect to any other unit). For the purpose of this Section, each payment of the Purchase Price made pursuant to Article 4 hereof shall be deemed to be a payment with respect to each unit of Equipment in like proportion as the original Purchase Price of such unit bears to the aggregate original Purchase Price of all the Equipment.

7.4. Obligations upon Payment of Casualty Value. Upon payment by the Vendee to the Vendor of the Casualty Value of any unit of the Equipment having suffered a Casualty Occurrence, absolute right to the possession of, title to and property in such unit shall pass to and vest in the Vendee, without further transfer or action on the part of the Vendor, except that the Vendor, if requested by the Vendee, will execute and deliver to the Vendee, at the expense of the Vendee, an appropriate instrument confirming such passage to the Vendee of all the Vendor's right, title and interest, and the release of the Vendor's security

interest, in such unit, in recordable form, in order that the Vendee may make clear upon the public records the title of the Vendee to such unit.

ARTICLE 8

INSURANCE PROCEEDS AND CONDEMNATION PAYMENTS

If the Vendor shall receive any insurance proceeds or condemnation payments in respect of any unit suffering a Casualty Occurrence, the Vendor shall promptly pay such insurance proceeds or condemnation payments to the Vendee; provided, however, that no event of default shall have occurred and be continuing hereunder and the Vendee shall have made payment of the Casualty Value of such unit to the Vendor. All insurance proceeds received by the Vendor in respect of any unit of Equipment not suffering a Casualty Occurrence shall be paid to the Vendee upon proof satisfactory to the Vendor that any damage to such unit in respect of which such proceeds were paid has been fully repaired.

ARTICLE 9

REPORTS AND INSPECTIONS

On or before August 31 in each year, commencing with the year 1981, the Vendee shall cause to be furnished to the Vendor an accurate statement to the effect set forth in § 8 of the Lease. The Vendor shall have the right, by its agents, to inspect the Equipment and the Vendee's and the Lessee's records with respect thereto at such reasonable times as the Vendor may request during the term of this Agreement.

ARTICLE 10

MARKING OF EQUIPMENT

10.1. Marking of Equipment. The Vendee will cause each unit of the Equipment to be kept numbered and marked as provided in § 5 of the Lease. The Vendee will not permit the identifying number of any unit of the Equipment to be changed except in accordance with a statement of new number or numbers to be substituted therefor,

which statement previously shall have been filed with the Vendor and filed by or on behalf of the Vendee in all public offices where this Agreement shall have been filed.

10.2. No Designations of Ownership. Except as provided in Section 10.1 hereof, the Vendee will not allow the name of any person, association or corporation to be placed on any unit of the Equipment as a designation that might be interpreted as a claim of ownership; provided, however, that the Equipment may be lettered with the names or initials or other insignia customarily used by the Lessee or its affiliates.

ARTICLE 11

COMPLIANCE WITH APPLICABLE LAWS

During the term of this Agreement, the Vendee will comply, and will cause every lessee or user of the Equipment to comply, in all respects (including without limitation the use, maintenance and operation of the Equipment) with all Applicable Laws (as defined in § 10 of the Lease), and in the event that any Applicable Law requires any alteration, replacement or addition of or to any part on any unit of the Equipment, the Vendee will or will cause the Lessee to conform therewith at no expense to the Vendor; provided, however, that the Vendee may, in good faith, contest the validity or application of any Applicable Law in any reasonable manner which does not, in the opinion of the Vendor, adversely affect the property or rights of the Vendor under this Agreement.

ARTICLE 12

POSSESSION AND USE

12.1. Possession and Use of Equipment by Vendee. So long as an event of default shall not have occurred and be continuing under this Agreement, the Vendee shall be entitled to the possession and use of the Equipment from and after delivery of the Equipment by NACC to the Vendee, but only upon and subject to all the terms and conditions of this Agreement.

12.2. Lease Permitted; Lease Subordinate; No Amendment or Termination. The Vendee simultaneously is

leasing the Equipment to the Lessee as provided in the Lease, and the rights of the Lessee and its permitted assigns under the Lease shall be subordinated and junior in rank to the rights and shall be subject to the remedies of the Vendor under this Agreement. The Lease shall not be amended in any material respect or terminated (except in accordance with its terms) without the prior written consent of the Vendor, which consent shall not be unreasonably withheld.

ARTICLE 13

PROHIBITION AGAINST LIENS

13.1. Vendee To Discharge Liens. The Vendee will pay or discharge any and all sums claimed by any party from, through or under the Vendee or its successors or assigns which, if unpaid, might become a lien, charge or security interest on or with respect to any unit of Equipment equal or superior to the Vendor's security interest therein and will promptly discharge any such lien, charge or security interest which arises, but shall not be required to pay or discharge any such claim so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner and the nonpayment thereof does not, in the opinion of the Vendor, adversely affect the security interest of the Vendor in or to the Equipment or otherwise under this Agreement. Any amounts paid by the Vendor in discharge of liens, charges or security interests upon the Equipment shall be secured by and under this Agreement.

13.2. No Breach for Certain Liens. This covenant will not be deemed breached by reason of liens for taxes, assessments or governmental charges or levies, in each case not due and delinquent, or undetermined or inchoate materialmen's, mechanics', workmen's, repairmen's or other like liens arising in the ordinary course of business and, in each case, not delinquent.

13.3. Article 13 Subject to Article 23 Except in Certain Instances. The obligations of the Vendee under this Article 13 are subject to the limitations contained in Article 23 hereof; provided, however, that the Vendee will pay or discharge any and all taxes, claims, liens, charges or security interests claimed by any party from, through or under the Vendee or its successors or assigns (other than the Assignee) and, to the extent it receives funds suf-

ficient for such purpose from the Owner, from, through or under the Owner and its successors and assigns, not arising out of the transactions contemplated hereby or in other documents mentioned herein (but, to the extent that it receives funds sufficient for such purpose from the Owner, including net income taxes arising out of the receipt of rentals and other payments under the Lease and any other proceeds from the Equipment), which, if unpaid, might become a lien, charge or security interest on or with respect to the Equipment or the Vendee's interest in the Lease and the payments to be made thereunder, but the Vendee shall not be required to pay or discharge any such tax, claim, lien, charge or security interest so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner and the nonpayment thereof does not, in the opinion of the Vendor, adversely affect the security interest of the Vendor in or to the Equipment or otherwise under this Agreement.

ARTICLE 14

INDEMNITIES AND WARRANTIES

14.1. Indemnification. The Vendee shall pay and shall protect, indemnify and hold the Vendor and its successors, assigns, agents and servants (the "Indemnified Persons") harmless from and against any and all Indemnified Matters (as defined in § 12 of the Lease); except that the Vendee shall not be liable to NACC in respect of any Indemnified Matter to the extent liability in respect thereof arises from an act or omission of NACC or is covered by NACC'S patent indemnification referred to in Section 14.4 hereof. The Vendee shall be obligated under this Article 14, irrespective of whether any Indemnified Person shall also be indemnified with respect to the same matter under any other agreement by any other person, and the Indemnified Person seeking to enforce the indemnification may proceed directly against the Vendee under this Article 14 without first resorting to any such other rights of indemnification. In case any action, suit or proceeding is brought against any Indemnified Person in connection with any Indemnified Matter, the Vendee may and, upon such Indemnified Person's request, will at the Vendee's expense resist and defend such action, suit or proceeding, or cause the same to be resisted or defended by counsel selected by the Vendee and approved by such Indemnified Person and, in the event of any failure by the Vendee to do so, the Vendee shall pay all costs and expenses (including without limitation attorneys' fees and expenses) incurred by such Indem-

nified Person in connection with such action, suit or proceeding. In the event the Vendee is required to make any payment under this Article 14, the Vendee shall pay such Indemnified Person an amount which, after deduction of all taxes required to be paid by such Indemnified Person in respect of the receipt thereof under the laws of the United States or of any political subdivision thereof (after giving credit for any savings in respect of any such taxes by reason of deductions, credits or allowances in respect of the payment of the expense indemnified against, and of any other such taxes as determined in the sole discretion of the Indemnified Person), shall be equal to the amount of such payment. The Vendor and the Vendee agree to give each other promptly upon obtaining knowledge thereof written notice of any claim or liability hereby indemnified against. Upon the payment in full of any indemnities as contained in this Article 14 by the Vendee, and provided that no event of default described in Section 16.1 hereof (or other event which with lapse of time or notice or both would constitute such an event of default) shall have occurred and be continuing, it shall be subrogated to any right of such Indemnified Person in respect of the Indemnified Matter. Any payments received by such Indemnified Person from any person (other than the Vendee) as a result of any Indemnified Matter with respect to which such Indemnified Person has been indemnified by the Lessee pursuant to the Lease shall be paid forthwith to the Vendee to the extent necessary to reimburse the Vendee for indemnification payments previously made in respect of such Indemnified Matter.

14.2. Survival; No Subrogation. The indemnities contained in this Article 14 shall survive the expiration or termination of this Agreement with respect to all events, facts, conditions or other circumstances occurring or existing prior to such expiration or termination and are expressly made for the benefit of and shall be enforceable by any Indemnified Person. None of the indemnities in this Article 14 shall be deemed to create any rights of subrogation in any insurer or third party against the Vendee therefor, from or under any Indemnified Person, whether because of any claim paid or defense provided for the benefit thereof or otherwise.

14.3. Vendee Not Released if Equipment Damaged or Lost. The Vendee will bear the responsibility for and risk of any damage to or the destruction or loss of any unit of Equipment, and shall not be released from its obligations hereunder in any such event.

14.4. Warranties of NACC; Patent Indemnities. The agreement of the parties relating to NACC's warranties of material and workmanship and to patent indemnification are set forth in Items 3 and 4 of Annex A hereto.

ARTICLE 15

ASSIGNMENTS

15.1. Assignment by Vendee. Except as provided in Article VII of the Trust Agreement, the Vendee will not transfer the right to possession of any unit of the Equipment (except to the Lessee pursuant to the Lease) or sell, assign, transfer or otherwise dispose of its rights under this Agreement.

15.2. Assignment by Vendor. All or any of the rights, benefits and advantages of the Vendor under this Agreement, including the right to receive the payments herein provided to be made by the Vendee, may be assigned by the Vendor and reassigned by any assignee at any time or from time to time. No such assignment shall subject any assignee to or relieve NACC from any of the obligations of NACC to construct and deliver the Equipment in accordance herewith or to respond to its warranties and indemnities herein, or relieve the Vendee of its obligations to NACC contained in Articles 2, 3, 4, 6 and 14 hereof, Annex A hereto and this Article 15, or any other obligation which according to its terms or context is intended to survive an assignment.

15.3. Notice of Assignment by Vendor. Upon any such assignment by the Vendor, either the assignor or the assignee shall give written notice to the Vendee, together with a counterpart or copy of such assignment, stating the identity and post office address of the assignee, and such assignee shall, by virtue of such assignment, acquire all the assignor's right, title and interest in and to the Equipment and this Agreement, or in and to a portion thereof, as the case may be, subject only to such reservations as may be contained in such assignment. From and after the receipt by the Vendee of the notification of any such assignment, all payments thereafter to be made by the Vendee under this Agreement shall, to the extent so assigned, be made only to the assignee in such manner as it may direct.

15.4. No Setoff Against CSA Indebtedness upon Assignment. The Vendee recognizes that this Agreement will

be assigned to the Assignee as provided in the CSA Assignment. The Vendee expressly represents, for the purpose of assurance to any person, firm or corporation considering the acquisition of this Agreement or of all or any of the rights of the Vendor hereunder, and for the purpose of inducing such acquisition, that the rights of the assignee to the entire unpaid CSA Indebtedness in respect of the Purchase Price of the Equipment or such part thereof as may be assigned, together with interest thereon, as well as any other rights hereunder which may be so assigned, shall not be subject to any defense, setoff, counterclaim or recoupment whatsoever by the Vendee arising out of any breach of any obligation of NACC with respect to the Equipment or the manufacture, construction, delivery or warranty thereof, or with respect to any indemnity herein contained, nor subject to any defense, setoff, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to the Vendee by NACC. Any and all such obligations, howsoever arising, shall be and remain enforceable by the Vendee against and only against NACC.

ARTICLE 16

DEFAULTS

16.1. Events of Default; Termination of Lease; Declaration of Default; Acceleration of CSA Indebtedness.
In the event that any one or more of the following events of default shall occur and be continuing, to wit:

(a) the Vendee shall fail to pay or cause to be paid in full any sum payable by the Vendee under Article 4 or 7 hereof when payment thereof shall be due hereunder (irrespective of the provisions of Article 4 or 23 hereof or any other provision of this Agreement limiting the liability of the Vendee) and such default shall continue for 15 days after the date such payment is due and payable;

(b) the Vendee or the Lessee shall, for more than 30 days after the Vendor shall have demanded in writing performance thereof, fail or refuse to comply with any other covenant, agreement, term or provision of this Agreement (irrespective of the provisions of Article 4 or 23 hereof or any other provision of this Agreement limiting the liability of

the Vendee), the Lease Assignment or the Participation Agreement made expressly for the benefit of the Vendor, on its part to be kept and performed or to make provision satisfactory to the Vendor for such compliance;

(c) a petition for reorganization under Title 11 of the United States Code, as now constituted or as hereafter amended, shall be filed by or against the Vendee or the Lessee and, unless such petition shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Vendee under this Agreement or the Lessee under the Lease and the Consent shall not have been and shall not continue to be duly assumed in writing within 60 days after such petition shall have been filed, pursuant to a court order or decree, by a trustee or trustees appointed (whether or not subject to ratification) for the Vendee or the Lessee, as the case may be, in such proceedings in such manner that such obligations shall have the same status as expenses of administration and obligations incurred by such trustee or trustees;

(d) any other proceeding shall be commenced by or against the Vendee or the Lessee for any relief which includes or might result in any modification of the obligations of the Vendee hereunder or the Lessee under the Lease or the Consent under any bankruptcy or insolvency laws or laws relating to the relief of debtors, readjustment of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustment of such obligations) and, unless such proceedings shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all such obligations shall not have been and shall not continue to be duly assumed in writing within 60 days after such proceedings shall have been commenced, pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed (whether or not subject to ratification) for the Vendee or the Lessee, as the case may be, or for its respective property in connection with any such proceedings in such manner that such obligations shall have the same status as expenses of administration and

obligations incurred by such trustee or trustees or receiver or receivers;

then at any time after the occurrence of such an event of default, and so long as the same shall be continuing, the Vendor may, upon written notice to the Vendee and the Lessee and upon compliance with any legal requirements then in force and applicable to such action by the Vendor, (i) subject to the Lessee's rights of possession, use and assignment under §§ 4 and 15 of the Lease, cause the term of the Lease immediately upon such notice to terminate (and the Vendee acknowledges the right of the Vendor to terminate the term of the Lease); provided, however, that such termination shall not be in derogation of or impair the rights of the Vendee or the Vendor (under the assignment thereof), as the case may be, to enforce compliance by the Lessee with any of its covenants and agreements under the Lease or to enforce any of its rights and remedies under § 13 of the Lease (subject to the Vendor's rights to repossess and sell the Equipment as provided in this Agreement), including the rights of the Vendee or the Vendor (under the assignment thereof), as the case may be, to sue for and recover damages provided for in § 13 of the Lease upon the occurrence of an event of default under the Lease, and/or (ii) declare ("Declaration of Default") the entire unpaid CSA Indebtedness, together with the interest thereon then accrued and unpaid, immediately due and payable, without further demand, and thereafter the aggregate of the unpaid balance of such indebtedness and interest shall bear interest from the date of such Declaration of Default at the Penalty Rate to the extent legally enforceable provided, however, that the Vendor shall not exercise its rights pursuant to this clause (ii) unless it shall exercise its right to terminate the Lease pursuant to the preceding clause (i) if, and to the extent, the Lease is then terminable by the Vendor. Upon a Declaration of Default, subject to Article 4 hereof, the Vendor shall be entitled to recover judgment for the entire unpaid balance of the CSA Indebtedness so payable, with interest as aforesaid, and to collect such judgment out of any property of the Vendee wherever situated, subject to the provisions of Articles 4 and 23 hereof. The Vendee shall promptly notify the Vendor of any event of which it has knowledge which constituted, constitutes or with notice or lapse of time or both could constitute an event of default under this Agreement. For this purpose, knowledge of the Vendee shall mean actual knowledge by a responsible employee or officer of its Leasing Department. The Vendor shall provide the Vendee with 10 days' written notice of its intent to issue a

Declaration of Default hereunder and the Vendee shall have the option during such 10-day period to prepay all, but not less than all, the then outstanding CSA Indebtedness plus interest accrued to the date of such payment and the obligations upon payment of the CSA Indebtedness in Paragraph 5.2 hereof shall apply; it being agreed, however, that unless and until the Vendee has unconditionally paid such amounts, the Vendor may exercise all of its rights and remedies upon the occurrence of an event of default under this Agreement.

16.2. Waiver of Defaults. The Vendor may, at its election, waive any such event of default and its consequences and rescind and annul any Declaration of Default or notice of termination of the Lease by notice to the Vendee and the Lessee in writing to that effect, and thereupon the respective rights of the parties shall be as they would have been if no such event of default had occurred and no Declaration of Default or notice of termination of the Lease had been made or given. Notwithstanding the provisions of this Section, no such waiver, rescission or annulment shall extend to or affect any other or subsequent default or impair any rights or remedies consequent thereon.

ARTICLE 17

REMEDIES

17.1. Vendor May Take Possession of Equipment. Subject to the Lessee's rights of possession, use and assignment under §§ 4 and 15 of the Lease, at any time during the continuance of a Declaration of Default and upon such further notice, if any, as may be required for compliance with any mandatory legal requirements then in force and applicable to the action to be taken by the Vendor, the Vendor may take or cause to be taken, by its agent or agents, immediate possession of one or more units of Equipment, without liability to return to the Vendee any sums theretofore paid and free from all claims whatsoever, except as hereinafter in this Article 17 expressly provided, and may remove the same from possession and use of the Vendee, the Lessee, or any other person and for such purpose may enter upon any premises where the Equipment may be located and may use and employ in connection with such removal any supplies, services and aids and any available trackage and other facilities or means of the Vendee or the Lessee, subject to all mandatory requirements of due process of law.

17.2. Assembling of Equipment for Vendor. In case the Vendor shall demand possession of the Equipment pursuant to this Agreement and shall designate a reasonable point or points for the delivery of the Equipment to the Vendor, the Vendee shall, at its own expense and risk:

(a) forthwith and in the usual manner (including without limitation giving prompt telegraphic and written notice to the Association of American Railroads and all railroads to which any unit or units have been interchanged or which may have possession thereof to return the unit or units) place such units upon such storage tracks as the Vendor reasonably may designate;

(b) cause such units to be stored on such tracks without charge for insurance, rent or storage until all such units of Equipment have been sold, leased or otherwise disposed of by the Vendor; and

(c) cause the same to be transported to any reasonable place, as directed by the Vendor.

During any storage period, the Vendee will, at its own cost and expense, insure, maintain and keep each such unit in good order and repair and permit the inspection of the Equipment by the Vendor, the Vendor's representatives and prospective purchasers and users. This agreement to deliver the Equipment and furnish facilities as hereinbefore provided is of the essence to the agreement between the parties, and the Vendee acknowledges that upon application to any court of equity having competent jurisdiction, the Vendor shall be entitled under the Lease as assignee of the rights of the Vendee thereunder to a decree against the Lessee requiring specific performance thereof. The Vendee hereby expressly waives any and all claims against the Vendor and its agent or agents for damages of whatever nature in connection with any retaking of any unit of the Equipment in any commercially reasonable manner.

17.3. Vendor May Dispose of or Retain Equipment. At any time during the continuance of a Declaration of Default, the Vendor (after retaking possession of the Equipment as provided in Section 17.1 hereof) may, at its election, retain the Equipment in satisfaction of the entire CSA Indebtedness and make such disposition thereof as the Vendor shall deem fit. Written notice of the Vendor's election to retain the Equipment shall be given to the Vendee and the Lessee by telegram or registered mail, addressed as provided in Article 22 hereof, and to any

other persons to whom the law may require notice, within 30 days after such Declaration of Default. In the event that the Vendor should elect to retain the Equipment and no objection is made thereto within the 30-day period described in the second proviso below, all the Vendee's rights in the Equipment shall thereupon terminate and all payments made by the Vendee may be retained by the Vendor as compensation for the use of the Equipment and the Vendee shall have no further rights or obligations hereunder; provided, however, that if the Vendee, before the expiration of the 30-day period described in the proviso below, should pay or cause to be paid to the Vendor the total unpaid balance of the CSA Indebtedness, together with interest thereon accrued and unpaid and all other payments due under this Agreement, then in such event absolute right to the possession of, title to and property in the Equipment shall pass to and vest in the Vendee; provided, further, that if the Vendee, the Lessee or any other persons notified under the terms of this paragraph object in writing to the Vendor within 30 days from the receipt of notice of the Vendor's election to retain the Equipment, then the Vendor may not so retain the Equipment, but shall sell, lease or otherwise dispose of it or continue to hold it pending sale, lease or other disposition as hereinafter provided or as may otherwise be permitted by law. If the Vendor shall not have given notice to retain as hereinabove provided or notice of intention to dispose of the Equipment in any other manner, it shall be deemed to have elected to sell the Equipment in accordance with the provisions of this Article 17.

17.4. Vendor May Sell Equipment; Vendee's Right of Redemption. Subject to the Lessee's rights of possession, use and assignment under §§ 4 and 15 of the Lease, at any time during the continuance of a Declaration of Default, the Vendor, with or without retaking possession thereof, at its election and upon reasonable notice to the Vendee, the Lessee and any other persons to whom the law may require notice of the time and place, may sell the Equipment, or one or more of the units thereof, free from any and all claims of the Vendee, the Lessee or any other party claiming from, through or under the Vendee or the Lessee, at law or in equity, at public or private sale and with or without advertisement as the Vendor may determine; provided, however, that if, prior to such sale and prior to the making of a contract for such sale, the Vendee should tender full payment of the total unpaid balance of the CSA Indebtedness, together with interest thereon accrued and unpaid and all other payments due under this Agreement as well as expenses of the Vendor in retaking possession

of, removing, storing, holding and preparing the Equipment and otherwise arranging for the sale and the Vendor's reasonable attorneys' fees, then upon receipt of such payment, expenses and fees by the Vendor, absolute right to the possession of, title to and property in the Equipment shall pass to and vest in the Vendee. The proceeds of such sale or other disposition, less the attorneys' fee and any other expenses incurred by the Vendor in retaking possession of, removing, storing, holding, preparing for sale and selling or otherwise disposing of the Equipment, shall be credited on the amount due to the Vendor under the provisions of this Agreement.

17.5. Sale of Equipment by Vendor. Any sale hereunder may be held or conducted at such place or places and at such time or times as the Vendor may specify, in one lot and as an entirety or in separate lots and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner as the Vendor may determine, so long as such sale shall be in a commercially reasonable manner. The Vendor or the Vendee may bid for and become the purchaser of any unit of Equipment so offered for sale. The Vendee and the Lessee shall be given written notice of such sale not less than 10 business days prior thereto, by telegram or registered mail addressed as provided in Article 22 hereof. In addition, if such sale shall be a private sale (which shall be deemed to mean only a sale where an advertisement for bids has not been published in a newspaper of general circulation or a sale where less than 40 offerees have been solicited in writing to submit bids), it shall be subject to the rights of the Lessee and the Vendee to purchase or provide a purchaser, within 10 business days after notice of the proposed sale price, at the same price offered by the intending purchaser or a better price. In the event that the Vendor shall be the purchaser of the Equipment, it shall not be accountable to the Vendee (except to the extent of surplus money received as provided in Section 17.7 hereof), and in payment of the purchase price therefor the Vendor shall be entitled to have credited on account thereof all or any part of sums due to the Vendor hereunder.

17.6. Effect of Remedies and Powers and Exercise Thereof. Each and every power and remedy hereby specifically given to the Vendor shall be in addition to every other power and remedy hereby specifically given or now or hereafter existing at law or in equity not inconsistent herewith, and each and every power and remedy may be exercised from time to time and simultaneously and as often

and in such order as may be deemed expedient by the Vendor. All such powers and remedies shall be cumulative, and the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission of the Vendor in the exercise of any such power or remedy and no renewal or extension of any payments due hereunder shall impair any such power or remedy or shall be construed to be a waiver of any default or an acquiescence therein. Any extension of time for payment hereunder or other indulgence duly granted to the Vendee shall not otherwise alter or affect the Vendor's rights or the Vendee's obligations hereunder. The Vendor's acceptance of any payment after it shall have become due hereunder shall not be deemed to alter or affect the Vendee's obligations or the Vendor's rights hereunder with respect to any subsequent payments or default therein.

17.7. Deficiency or Surplus. If, after applying all sums of money realized by the Vendor under the remedies herein provided, there shall remain any amount due to it under the provisions of this Agreement, the Vendee shall, subject to the limitations of Section 4.8 hereof and Article 23 hereof, pay the amount of such deficiency to the Vendor upon demand, together with interest thereon from the date of such demand to the date of payment at the Penalty Rate, and, if the Vendee shall fail to pay such deficiency, the Vendor may bring suit therefor and shall, subject to the limitations of Section 4.8 hereof and Article 23 hereof, be entitled to recover a judgment therefor against the Vendee. If, after applying as aforesaid all sums realized by the Vendor, there shall remain a surplus in the possession of the Vendor, such surplus shall be paid to the Vendee.

17.8. Expenses. The Vendee will pay all reasonable fees, costs and expenses, including attorneys' fees, incurred by the Vendor in enforcing its remedies under the terms of this Agreement. In the event that the Vendor shall bring any suit to enforce any of its rights hereunder and shall be entitled to judgment, the Vendor may recover reasonable expenses, including reasonable attorneys' fees, and the amount thereof shall be included in such judgment.

17.9. Remedies Subject to Mandatory Legal Requirements. The foregoing provisions of this Article 17 are subject in all respects to all mandatory legal requirements at the time in force and applicable thereto.

ARTICLE 18

APPLICABLE STATE LAWS

18.1. Conflict with State Laws. Any provision of this Agreement prohibited by any applicable law of any jurisdiction shall as to such jurisdiction be ineffective, without modifying the remaining provisions of this Agreement. Where, however, the conflicting provisions of any such applicable law may be waived, they are hereby waived by the parties hereto to the full extent permitted by law, it being the intention of the parties hereto that this Agreement shall be deemed to be a conditional sale and enforced as such.

18.2. Waiver of Notices. Except as otherwise provided in this Agreement, the Vendee, to the full extent permitted by law, hereby waives all statutory or other legal requirements for any notice of any kind, notice of intention to take possession of or to sell or lease any one or more units of Equipment and any other requirements as to the time, place and terms of the sale or lease thereof any other requirements with respect to the enforcement of the Vendor's rights and any and all rights of redemption.

ARTICLE 19

FILING

The Vendee will cause this Agreement, any assignments hereof and any amendments or supplements hereto or thereto to be filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303; and the Vendee will from time to time perform any other act and will execute, deliver and file any and all further instruments required by law or reasonably requested by the Vendor for the purpose of proper protection, to the satisfaction of the Vendor, of its title to the Equipment and its rights under this Agreement or for the purpose of carrying out the intention of this Agreement; and the Vendee will promptly furnish to the Vendor certificates or other evidence of such filing satisfactory to the Vendor.

ARTICLE 20

REPRESENTATIONS AND WARRANTIES OF NACC

20.1. Binding Agreement. NACC hereby represents and warrants to the Vendee, and its successors and assigns, that this Agreement is duly authorized by it and lawfully executed and delivered by it for a valid consideration and that, assuming due authorization, execution and delivery by the Vendee, this Agreement is a legal, valid and binding agreement, enforceable against NACC in accordance with its terms.

20.2. Good Title. NACC represents and warrants to the Vendee that, at the time of delivery and acceptance of each unit of the Equipment under this Agreement, NACC will transfer good and marketable title to such unit, free and clear of all claims, liens, security interests and other encumbrances of any nature except only the rights of the Vendor under this Agreement and the Lessee under the Lease.

20.3. ERISA. NACC represents to the Vendee that it is not entering into this Agreement or into any other transaction contemplated by the Participation Agreement directly or indirectly in connection with any arrangement or understanding by it in any way involving any employee benefit plan (other than a governmental plan) with respect to which it or any party to the Participation Agreement is a party in interest, all within the meaning of the Employee Retirement Income Security Act of 1974.

20.4. Original Use. NACC represents and warrants to the Vendee that at the time of delivery and acceptance of each unit of Equipment under this Agreement, such units will not have been used by any person so as to preclude the original use thereof within the meaning of Sections 48(b)(2) and 167(c)(2) of the Code and will meet the requirements for "new section 38 property" within the meaning of the Code.

ARTICLE 21

HEADINGS; EFFECT AND MODIFICATION OF AGREEMENT

21.1. Headings for Convenience Only. All Article and Section headings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

21.2. Effect and Modification of Agreement.
Except for the Participation Agreement, this Agreement, including the Annexes hereto, exclusively and completely states the rights of the Vendor and the Vendee with respect to the Equipment and supersedes all other agreements, oral or written, with respect to the Equipment. No variation or modification of this Agreement and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized representatives of the Vendor and the Vendee.

ARTICLE 22

NOTICES

Any notice hereunder to any of the parties designated below shall be deemed to be properly served if delivered or mailed to it by first class mail, postage prepaid, at its chief place of business at the following specified addresses:

(a) to the Vendee, at 130 South La Salle Street, Chicago, Illinois 60690, attention of Corporate Trust Department, with a copy to the Owner at its address set forth in the Participation Agreement,

(b) to NACC, at the address specified in Item 1 of Annex A hereto,

(c) to any assignee of the Vendor or of the Vendee, at such address as may have been furnished in writing to the Vendee or the Vendor, as the case may be, by such assignee,

or at such other address as may have been furnished in writing by such party to the other parties to this Agreement.

ARTICLE 23

IMMUNITIES; SATISFACTION OF UNDERTAKINGS

23.1. No Recourse Against Certain Persons. No recourse shall be had in respect of any obligation due under this Agreement or referred to herein against any incorporator, stockholder, director or officer, as such, past, present or future, of the parties hereto, whether by virtue of any constitutional provision, statute or rule of

law, or by enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitutional provision, statute or otherwise, of such incorporators, stockholders, directors or officers, as such, being forever released as a condition of and as consideration for the execution of this Agreement.

23.2. Satisfaction of Certain Covenants. The obligations of the Vendee hereunder, except as set forth in Sections 4.3(a) and 13.3 hereof, shall be deemed satisfied in full in all respects and be of no further force or effect insofar as they involve personal liability for money or performance or otherwise of the Vendee, other than out of "income and proceeds from the Equipment", by the Lessee's execution and delivery of the Lease. The Vendee shall not have any responsibility for the Lessee's failure to perform such obligations hereunder or under the Lease; but if the same shall not be performed, they shall constitute the basis for an event of default hereunder pursuant to Article 16 hereof. No waiver or amendment of the Lessee's undertakings under the Lease shall be effective unless joined in by the Vendor; provided, however, that the Vendor shall be deemed to have consented to any agreement in writing between the Lessee and the Vendee increasing or decreasing the rentals and casualty values payable pursuant to §§ 3 and 7 of the Lease so long as the amounts payable thereunder are not reduced below those necessary to satisfy the obligations of the Vendee hereunder.

23.3. No Personal Liability of Vendee. Each and all of the representations, warranties, covenants, undertakings and agreements herein made on the part of the financial institution acting as Vendee hereunder (except as provided in Section 13.3 hereof) are made and intended not as personal representations, warranties, covenants, undertakings or agreements by said institution or for the purpose or with the intention of binding said institution personally but are made and intended for the purpose of binding only the Trust Estate (as such term is used in the Trust Agreement) and this Agreement is executed and delivered by said institution solely in the exercise of the powers expressly conferred upon said institution as trustee under the Trust Agreement; and no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against said institution or the Owner on account of any representation, warranty, covenant, undertaking or agreement herein of the Vendee (except as

aforesaid or in the case of gross negligence or wilful misconduct of the Vendee), either expressed or implied, all such personal liability, if any, being expressly waived and released by the Vendor and by all persons claiming by, through or under the Vendor; provided, however, that the Vendor or any person claiming by, through or under the Vendor making claim hereunder may look to said Trust Estate for satisfaction of the same. Nothing contained in this Section shall limit, restrict or impair the rights of the Vendor to take all actions to enforce the rights and remedies provided for herein and to bring suit and obtain a judgment against the Vendee (provided that neither the Vendee in its fiduciary or individual capacity nor the Owner shall have any personal liability on any such judgment and the satisfaction thereof shall be limited to the Trust Estate, including any interest therein of the Vendee or the Owner, except as aforesaid) or to foreclose the lien and security interest created by this Agreement or otherwise realize upon the Trust Estate, including the right to proceed against the Equipment or the Lessee under the Lease.

23.4. No Amendment of Trust Agreement. The Vendee agrees not to enter into any supplement or amendment of the Trust Agreement except as provided in Section 8.01 thereof as in effect on the date of execution and delivery hereof.

ARTICLE 24

GOVERNING LAW

The terms of this Agreement and all rights and obligations hereunder shall be governed by the laws of the State of Illinois; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. § 11303, such additional rights, if any, arising out of the filing hereof and of any assignment hereof as shall be conferred by the laws of the several jurisdictions in which this Agreement or any assignment hereof shall be filed or in which any unit of Equipment shall be located, and such rights, if any, arising out of the marking of Equipment.

ARTICLE 25

EXECUTION


This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original and all of which together shall constitute but a single instrument. Although this Agreement is dated, for convenience, as of the date first above written, the actual dates of execution hereof by the parties hereto are the dates stated in the acknowledgments hereto annexed.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed as of the date first above written.

NORTH AMERICAN CAR CORPORATION,

[Corporate Seal]

by



Vice President

Attest:

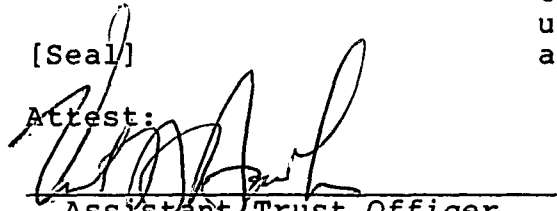


Assistant Secretary

EXCHANGE NATIONAL BANK OF CHICAGO, not in its individual capacity but solely as Trustee, under a Trust Agreement dated as of June 15, 1980,

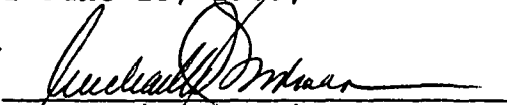
[Seal]

Attest:



Assistant Trust Officer

by



Vice President

STATE OF ILLINOIS,)
) ss.:
COUNTY OF COOK,)


On this ^{6th} day of October 1980, before me personally appeared MICHAEL D. GOODMAN, to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of EXCHANGE NATIONAL BANK OF CHICAGO, that one of the seals affixed to the foregoing instrument is the seal of said national banking association and that said instrument was signed and sealed on behalf of said national banking association by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national banking association.

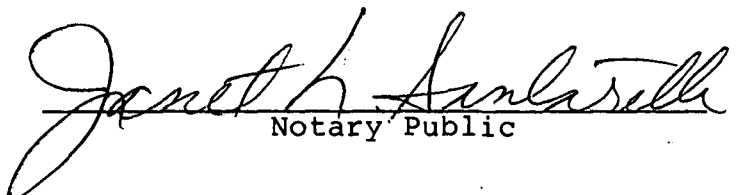

Notary Public

[Notarial Seal]

My Commission expires My Commission Expires December 13, 1983

STATE OF ILLINOIS,)
) ss.:
COUNTY OF COOK ,)

On this ^{6TH} day of October 1980, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is President of NORTH AMERICAN CAR CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.


Notary Public

[Notarial Seal]

My Commission expires Oct. 23, 1982

SCHEDULE I

Allocation Schedule of Each \$1,000,000 of CSA
Indebtedness Payable in (i) One Interim Payment
of Interest Only on the Interim Payment Date and
(ii) 180 Monthly Installments of Principal and
Interest Commencing Six Months After the Interim
Payment Date

<u>Installment No.</u>	<u>Total Payment</u>	<u>Interest Payment</u>	<u>Principal Recovery</u>	<u>Ending Principal</u>
	*	*	-0-	\$1,000,000.00
1	\$ 11,752.14	\$ 8,291.67	\$ 3,460.47	996,539.53
2	11,752.14	8,262.97	3,489.17	993,050.36
3	11,752.14	8,234.04	3,518.10	989,532.26
4	11,752.14	8,204.87	3,547.27	985,984.99
5	11,752.14	8,175.46	3,576.68	982,408.31
6	11,752.14	8,145.80	3,606.34	978,801.97
7	11,752.14	8,115.90	3,636.24	975,165.73
8	11,752.14	8,085.75	3,666.39	971,499.34
9	11,752.14	8,055.35	3,696.79	967,802.55
10	11,752.14	8,024.70	3,727.44	964,075.11
11	11,752.14	7,993.79	3,758.35	960,316.76
12	11,752.14	7,962.63	3,789.51	956,527.25
13	11,752.14	7,931.21	3,820.93	952,706.32
14	11,752.14	7,899.52	3,852.62	948,853.70
15	11,752.14	7,867.58	3,884.56	944,969.14
16	11,752.14	7,835.37	3,916.77	941,052.37
17	11,752.14	7,802.89	3,949.25	937,103.12
18	11,752.14	7,770.15	3,981.99	933,121.13
19	11,752.14	7,737.13	4,015.01	929,106.12
20	11,752.14	7,703.84	4,048.30	925,057.82
21	11,752.14	7,670.27	4,081.87	920,975.95
22	11,752.14	7,636.43	4,115.71	916,860.24
23	11,752.14	7,602.30	4,149.84	912,710.40
24	11,752.14	7,567.89	4,184.25	908,526.15
25	11,752.14	7,533.20	4,218.94	904,307.21
26	11,752.14	7,498.21	4,253.93	900,053.28
27	11,752.14	7,462.94	4,289.20	895,764.08
28	11,752.14	7,427.38	4,324.76	891,439.32
29	11,752.14	7,391.52	4,360.62	887,078.70
30	11,752.14	7,355.36	4,396.78	882,681.92

* Interest accrued only.

<u>Installment No.</u>	<u>Total Payment</u>	<u>Interest Payment</u>	<u>Principal Recovery</u>	<u>Ending Principal</u>
31	11,752.14	7,318.90	4,433.24	878,248.68
32	11,752.14	7,282.15	4,469.99	873,778.69
33	11,752.14	7,245.08	4,507.06	869,271.63
34	11,752.14	7,207.71	4,544.43	864,727.20
35	11,752.14	7,170.03	4,582.11	860,145.09
36	11,752.14	7,132.04	4,620.10	855,524.99
37	11,752.14	7,093.73	4,658.41	850,866.58
38	11,752.14	7,055.10	4,697.04	846,169.54
39	11,752.14	7,016.16	4,735.98	841,433.56
40	11,752.14	6,976.89	4,775.25	836,658.31
41	11,752.14	6,937.29	4,814.85	831,843.46
42	11,752.14	6,897.37	4,854.77	826,988.69
43	11,752.14	6,857.11	4,895.03	822,093.66
44	11,752.14	6,816.53	4,935.61	817,158.05
45	11,752.14	6,775.60	4,976.54	812,181.51
46	11,752.14	6,734.34	5,017.80	807,163.71
47	11,752.14	6,692.73	5,059.41	802,104.30
48	11,752.14	6,650.78	5,101.36	797,002.94
49	11,752.14	6,608.48	5,143.66	791,859.28
50	11,752.14	6,565.83	5,186.31	786,672.97
51	11,752.14	6,522.83	5,229.31	781,443.66
52	11,752.14	6,479.47	5,272.67	776,170.99
53	11,752.14	6,435.75	5,316.39	770,854.60
54	11,752.14	6,391.67	5,360.47	765,494.13
55	11,752.14	6,347.22	5,404.92	760,089.21
56	11,752.14	6,302.41	5,449.73	754,639.48
57	11,752.14	6,257.22	5,494.92	749,144.56
58	11,752.14	6,211.66	5,540.48	743,604.08
59	11,752.14	6,165.72	5,586.42	738,017.66
60	11,752.14	6,119.40	5,632.74	732,384.92
61	11,752.14	6,072.69	5,679.45	726,705.47
62	11,752.14	6,025.60	5,726.54	720,978.93
63	11,752.14	5,978.12	5,774.02	715,204.91
64	11,752.14	5,930.24	5,821.90	709,383.01
65	11,752.14	5,881.97	5,870.17	703,512.84
66	11,752.14	5,833.29	5,918.85	697,593.99
67	11,752.14	5,784.22	5,967.92	691,626.07
68	11,752.14	5,734.73	6,017.41	685,608.66
69	11,752.14	5,684.84	6,067.30	679,541.36
70	11,752.14	5,634.53	6,117.61	673,423.75

<u>Installment No.</u>	<u>Total Payment</u>	<u>Interest Payment</u>	<u>Principal Recovery</u>	<u>Ending Principal</u>
71	11,752.14	5,583.81	6,168.33	667,255.42
72	11,752.14	5,532.66	6,219.48	661,035.94
73	11,752.14	5,481.09	6,271.05	654,764.89
74	11,752.14	5,429.09	6,323.05	648,441.84
75	11,752.14	5,376.66	6,375.48	642,066.36
76	11,752.14	5,323.80	6,428.34	635,638.02
77	11,752.14	5,270.50	6,481.64	629,156.38
78	11,752.14	5,216.75	6,535.39	622,620.99
79	11,752.14	5,162.57	6,589.57	616,031.42
80	11,752.14	5,107.93	6,644.21	609,387.21
81	11,752.14	5,052.84	6,699.30	602,687.91
82	11,752.14	4,997.29	6,754.85	595,933.06
83	11,752.14	4,941.28	6,810.86	589,122.20
84	11,752.14	4,884.80	6,867.34	582,254.86
85	11,752.14	4,827.86	6,924.28	575,330.58
86	11,752.14	4,770.45	6,981.69	568,348.89
87	11,752.14	4,712.56	7,039.58	561,309.31
88	11,752.14	4,654.19	7,097.95	554,211.36
89	11,752.14	4,595.34	7,156.80	547,054.56
90	11,752.14	4,535.99	7,216.15	539,838.41
91	11,752.14	4,476.16	7,275.98	532,562.43
92	11,752.14	4,415.83	7,336.31	525,226.12
93	11,752.14	4,355.00	7,397.14	517,828.98
94	11,752.14	4,293.67	7,458.47	510,370.51
95	11,752.14	4,231.82	7,520.32	502,850.19
96	11,752.14	4,169.47	7,582.67	495,267.52
97	11,752.14	4,106.59	7,645.55	487,621.97
98	11,752.14	4,043.20	7,708.94	479,913.03
99	11,752.14	3,979.28	7,772.86	472,140.17
100	10,562.82	3,914.83	6,647.99	465,492.18
101	10,562.82	3,859.71	6,703.11	458,789.07
102	10,562.82	3,804.13	6,758.69	452,030.38
103	10,562.82	3,748.09	6,814.73	445,215.65
104	10,562.82	3,691.58	6,871.24	438,344.41
105	10,562.82	3,634.61	6,928.21	431,416.20
106	10,562.82	3,577.16	6,985.66	424,430.54
107	10,562.82	3,519.24	7,043.58	417,386.96
108	10,562.82	3,460.83	7,101.99	410,284.97
109	10,562.82	3,401.95	7,160.87	403,124.10
110	10,562.82	3,342.57	7,220.25	395,903.85

<u>Installment No.</u>	<u>Total Payment</u>	<u>Interest Payment</u>	<u>Principal Recovery</u>	<u>Ending Principal</u>
111	10,562.82	3,282.70	7,280.12	388,623.73
112	9,458.76	3,222.34	6,236.42	382,387.31
113	9,458.76	3,170.63	6,288.13	376,099.18
114	9,458.76	3,118.49	6,340.27	369,758.91
115	9,458.76	3,065.92	6,392.84	363,366.07
116	9,458.76	3,012.91	6,445.85	356,920.22
117	9,458.76	2,959.46	6,499.30	350,420.92
118	9,458.76	2,905.57	6,553.19	343,867.73
119	9,458.76	2,851.24	6,607.52	337,260.21
120	9,458.76	2,796.45	6,662.31	330,597.90
121	9,458.76	2,741.21	6,717.55	323,880.35
122	9,458.76	2,685.51	6,773.25	317,107.10
123	9,458.76	2,629.35	6,829.41	310,277.69
124	7,995.09	2,572.72	5,422.37	304,855.32
125	7,995.09	2,527.76	5,467.33	299,387.99
126	7,995.09	2,482.43	5,512.66	293,875.33
127	7,995.09	2,436.72	5,558.37	288,316.96
128	7,995.09	2,390.63	5,604.46	282,712.50
129	7,995.09	2,344.16	5,650.93	277,061.57
130	7,995.09	2,297.30	5,697.79	271,363.78
131	7,995.09	2,250.06	5,745.03	265,618.75
132	7,995.09	2,202.42	5,792.67	259,826.08
133	7,995.09	2,154.39	5,840.70	253,985.38
134	7,995.09	2,105.96	5,889.13	248,096.25
135	7,995.09	2,057.13	5,937.96	242,158.29
136	7,144.02	2,007.90	5,136.12	237,022.17
137	7,144.02	1,965.31	5,178.71	231,843.46
138	7,144.02	1,922.37	5,221.65	226,621.81
139	7,144.02	1,879.07	5,264.95	221,356.86
140	7,144.02	1,835.42	5,308.60	216,048.26
141	7,144.02	1,791.40	5,352.62	210,695.64
142	7,144.02	1,747.02	5,397.00	205,298.64
143	7,144.02	1,702.27	5,441.75	199,856.89
144	7,144.02	1,657.15	5,486.87	194,370.02
145	7,144.02	1,611.65	5,532.37	188,837.65
146	7,144.02	1,565.78	5,578.24	183,259.41
147	7,144.02	1,519.53	5,624.49	177,634.92
148	6,431.62	1,472.89	4,958.73	172,676.19
149	6,431.62	1,431.77	4,999.85	167,676.34
150	6,431.62	1,390.32	5,041.30	162,635.04

<u>Installment No.</u>	<u>Total Payment</u>	<u>Interest Payment</u>	<u>Principal Recovery</u>	<u>Ending Principal</u>
151	6,431.62	1,348.52	5,083.10	157,551.94
152	6,431.62	1,306.37	5,125.25	152,426.69
153	6,431.62	1,263.87	5,167.75	147,258.94
154	6,431.62	1,221.02	5,210.60	142,048.34
155	6,431.62	1,177.82	5,253.80	136,794.54
156	6,431.62	1,134.25	5,297.37	131,497.17
157	6,431.62	1,090.33	5,341.29	126,155.88
158	6,431.62	1,046.04	5,385.58	120,770.30
159	6,431.62	1,001.39	5,430.23	115,340.07
160	6,153.85	956.36	5,197.49	110,142.58
161	6,153.85	913.27	5,240.58	104,902.00
162	6,153.85	869.81	5,284.04	99,617.96
163	6,153.85	826.00	5,327.85	94,290.11
164	6,153.85	781.82	5,372.03	88,918.08
165	6,153.85	737.28	5,416.57	83,501.51
166	6,153.85	692.37	5,461.48	78,040.03
167	6,153.85	647.08	5,506.77	72,533.26
168	6,153.85	601.42	5,552.43	66,980.83
169	6,153.85	555.38	5,598.47	61,382.36
170	6,153.85	508.96	5,644.89	55,737.47
171	6,153.85	462.16	5,691.69	50,045.78
172	5,793.80	414.96	5,378.84	44,666.94
173	5,793.80	370.36	5,423.44	39,243.50
174	5,793.80	325.39	5,468.41	33,775.09
175	5,793.80	280.05	5,513.75	28,261.34
176	5,793.80	234.33	5,559.47	22,701.87
177	5,793.80	188.24	5,605.56	17,096.31
178	5,793.80	141.76	5,652.04	11,444.27
179	5,793.80	94.89	5,698.91	5,745.36
180	5,793.00	47.64	5,745.36	-.00
Total	<u>\$1,788,559.18</u>	<u>\$788,559.18</u>	<u>\$1,000,000.00</u>	

Annex A
to
Conditional Sale Agreement

- Item 1: North American Car Corporation, 222 South Riverside Plaza, Chicago, Illinois 60606, Attention of Vice President-Law.
- Item 2: The Equipment shall be settled for in not more than two Groups of units of Equipment, unless a greater number shall be agreed to by the parties hereto.
- Item 3: (a) NACC warrants that the Equipment will be built in accordance with the requirements, specifications and standards set forth or referred to in Article 2 of this Agreement and warrants that the Equipment will be free from defects in material (except as to specialties incorporated therein which were specified or supplied by the Lessee and not manufactured by NACC or Ingalls) and workmanship under normal use and service. NACC's obligation under this Item 3 is limited to making good at a location designated by it any part or parts of any unit of such Equipment that shall be returned to a location designated by NACC with transportation charges prepaid within one year after the delivery of such unit to the Vendee and which examination shall disclose to have been thus defective. This warranty is expressly in lieu of all other warranties express or implied including any implied warranty of merchantability or fitness for a particular purpose except for its other obligations or liabilities under Articles 2, 3, 4 and 20 of this Agreement and Item 4 of this Annex A. NACC neither assumes nor authorizes any person to assume for it any other liability in connection with the construction and delivery of the Equipment, except as aforesaid. It is further understood and agreed that in no event shall NACC be liable for indirect or consequential damages of any kind.

NACC further agrees with the Vendee that neither the inspection as provided in Article 3 of this Agreement nor any examination nor the

acceptance of any units of the Equipment as provided in said Article 3 shall be deemed a waiver or a modification by the Vendee of any of its rights under this Item 3.

Item 4: Except in cases of articles or materials specified by the Lessee and not manufactured by NACC or Ingalls and in cases of designs, systems, processes, formulae or combinations specified by the Lessee and not developed or purported to be developed by NACC or Ingalls, NACC agrees to indemnify, protect and hold harmless the Vendee from and against any and all liability, claims, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against the Vendee, its assigns or the users of the Equipment because of the use in or about the construction or operation of any of the Equipment of any design, system, process, formula, combination, article or material which infringes or is claimed to infringe on any patent or other right. NACC hereby assigns to the Vendee and the Lessee every claim, right and cause of action (to the extent legally possible without impairing such claim, right or cause of action) which NACC has or hereafter shall have against the seller or sellers of any designs, systems, processes, formulae, combinations, articles or materials specified by the Lessee and purchased or otherwise acquired by NACC for use in or about the construction or operation of any of the Equipment, on the ground that any such design, system, process, formula, combination, article or material or operation thereof infringes or is claimed to infringe on any patent or other right. NACC further agrees to execute and deliver to the Vendee and the Lessee all and every such further assurance as may be reasonably requested more fully to effectuate the assignment and delivery of every such claim, right and cause of action. NACC will give notice to the Vendee and the Lessee of any claim known to NACC from which liability may be charged against the Lessee hereunder and the Vendee will give notice to NACC of any claim known to it from which liability may be charged against NACC hereunder. Such covenants of indemnity

shall continue in full force and effect notwithstanding the full payment of all sums due under this Agreement, the satisfaction and discharge of this Agreement or the termination of this Agreement in any manner.

Item 5: The Maximum Purchase Price referred to in Article 4 of the Agreement is \$7,700,000.

Annex B
to the
Conditional Sale Agreement
Units of Equipment

<u>Type</u>	<u>AAR Mechanical Designation</u>	<u>Specifi- cations</u>	<u>Plant</u>	<u>Quantity</u>	<u>Lessee's Identification Numbers (Both Inclusive)</u>	<u>Estimated Unit Base Price</u>	<u>Estimated Total Base Price</u>	<u>Estimated Time and Place of Delivery</u>
4,750 cu. ft. lined covered hopper cars	LO	NAC4750F	Pasca- goula, Missis- sippi	145	NAHX 485876- 486020	\$51,293.16	\$7,437,508.20	October 1980 at or near Ranger, Texas, or Texarcana, Texas

ANNEX C
to the
Conditional Sale Agreement

[CS&M Ref. 4876-024]

LEASE OF RAILROAD EQUIPMENT

Dated as of June 15, 1980

Between

CARGILL, INC.,
Lessee,

and

EXCHANGE NATIONAL BANK OF CHICAGO,
not in its individual capacity but solely
as Trustee under a Trust Agreement
dated as of the date hereof with
The Bank of New York,
Lessor.

The rights and interests of the Lessor under
this Lease are subject to a security interest in
favor of LA SALLE NATIONAL BANK, as Agent for
certain institutional investors. The original
of this Lease is held by said Agent.

[Covering 145 Covered Hopper Cars]

LEASE OF RAILROAD EQUIPMENT

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* This Table of Contents has been included for convenience only and does not form a part of this document.

LEASE OF RAILROAD EQUIPMENT dated as of June 15, 1980, between CARGILL, INC., a Delaware corporation (the "Lessee"), and EXCHANGE NATIONAL BANK OF CHICAGO, a national banking association, acting not in its individual capacity but solely as trustee (the "Trustee") under a Trust Agreement dated as of the date hereof (the "Trust Agreement") with THE BANK OF NEW YORK (the "Owner").

The Trustee is entering into a Conditional Sale Agreement dated as of the date hereof (the "CSA") with NORTH AMERICAN CAR CORPORATION ("NACC"), pursuant to which NACC has agreed to conditionally sell and deliver to the Trustee the units of railroad equipment described in Appendix A hereto (the "Equipment").

NACC is assigning certain of its interests in the CSA pursuant to an Agreement and Assignment dated as of the date hereof (the "CSA Assignment") to LA SALLE NATIONAL BANK, acting as agent (the "Agent") for a certain institutional investor (the "Investor") under a Participation Agreement dated as of the date hereof (the "Participation Agreement") among the Lessee, the Agent, the Owner, the Trustee and the Investor.

The Lessee desires to lease from the Trustee such units of Equipment as are delivered and accepted and settled for under the CSA (the "Units") upon the terms and conditions hereinafter provided. The Trustee will assign this Lease for security to the Agent pursuant to an Assignment of Lease and Agreement dated as of the date hereof (the "Lease Assignment") and the Lessee will acknowledge and consent thereto pursuant to the Consent and Agreement substantially in the form attached to the Lease Assignment (the "Consent").

In consideration of the agreements hereinafter set forth, the Trustee hereby leases the Units to the Lessee upon the following terms and conditions:

§ 1. NET LEASE

This Lease is a net lease. The Lessee's obligations to pay all rentals and other amounts hereunder

shall be absolute and unconditional and, except as herein specifically provided, the Lessee shall not be entitled to any abatement of rent or such other amounts, reduction thereof or setoff against rent or such other amounts, including but not limited to abatements, reductions or setoffs due or alleged to be due by reason of any past, present or future claims of the Lessee against the Trustee under this Lease or the CSA, including the Lessee's rights by subrogation thereunder to NACC, the Agent or otherwise; nor, except as otherwise expressly provided herein, shall this Lease terminate or the respective obligations of the Trustee or the Lessee be otherwise affected by reason of any defect in or damage to or loss of possession or loss of use or destruction of all or any of the Units from whatsoever cause, any liens, encumbrances or rights of others with respect to any of the Units, the prohibition of or other restriction against the Lessee's use of all or any of the Units, the interference with such use by any person or entity, the invalidity or unenforceability or lack of due authorization of this Lease, any insolvency of or any bankruptcy, reorganization or similar proceeding against the Lessee, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the rents and other amounts payable by the Lessee hereunder shall continue to be payable in all events in the manner and at the times herein provided unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease. To the extent permitted by applicable law, the Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender the lease of any of the Units except in accordance with the express terms hereof. Each rental or other payment made by the Lessee hereunder shall be final, and the Lessee shall not seek to recover all or any part of such payment from NACC, the Trustee or the Agent for any reason whatsoever.

§ 2. DELIVERY AND ACCEPTANCE OF UNITS

The Trustee hereby appoints the Lessee its agent for inspection and acceptance of the Units pursuant to the CSA. Each delivery of a Unit to the Trustee under the CSA shall be deemed to be a delivery hereunder to the Lessee at the point or points within the United States at which such

Unit is so delivered to the Trustee. Upon such delivery, the Lessee will cause an employee or agent of the Lessee to inspect the same, and if such Unit is found to be acceptable, to accept delivery of such Unit on behalf of the Trustee under the CSA and on behalf of itself hereunder and execute and deliver to the Trustee a certificate of acceptance (a "Certificate of Acceptance") in accordance with the provisions of Article 3 of the CSA, stating that such Unit has been inspected and accepted on behalf of the Lessee and the Trustee on the date of such Certificate of Acceptance and is marked in accordance with § 5 hereof, whereupon such Unit shall be deemed to have been delivered to and accepted by the Lessee and shall be subject thereafter to all the terms and conditions of this Lease; provided, however, that the delivery, inspection and acceptance hereunder of any Unit of Equipment excluded from the CSA pursuant to Section 3.3 or 4.1 thereof or Section 4 of the CSA Assignment shall be ineffective to subject such Unit to this Lease.

§ 3. RENTALS

3.1. Amount and Date of Payment. The Lessee agrees to pay to the Trustee, as rental for each Unit subject to this Lease, (a) one interim rental payment on the 15th day of the month next succeeding the last Closing Date (as defined in Section 4.2 of the CSA) (the "Interim Payment Date") and (b) thereafter 180 consecutive monthly payments, in arrears, commencing one month after the Interim Payment Date and on the corresponding day in each of the 179 monthly periods immediately following such first rental payment. The interim rental payment in respect of each Unit subject to this Lease shall be in an amount equal to 0.02726% of the Purchase Price (as defined in Section 4.1 of the CSA) of such Unit for each day elapsed from and including the Closing Date with respect to such Unit to, but not including, the date on which such payment is made. The 180 monthly rental payments in respect of each Unit subject to this Lease shall each be in an amount equal to 0.912% of the Purchase Price of such Unit.

Furthermore, the Lessee agrees to pay to the Trustee as additional rental an amount equal to any deficiency in interest payable by the Trustee pursuant to the third paragraph of Paragraph 2 of the Participation Agreement, payable on the date such deficiency is due thereunder.

3.2. Payment on Nonbusiness Day. If any of the rental payment dates referred to in § 3.1 is not a business day, the rental payment otherwise payable on such date shall be payable on the next succeeding business day. The term "business day" as used herein means any calendar day, excluding Saturdays, Sundays and any other day on which banking institutions in Chicago, Illinois, Minneapolis, Minnesota, or New York, New York, are authorized or obligated to remain closed.

3.3. Instructions To Pay Agent and Trustee. Upon execution and delivery of the Lease Assignment and until the Agent shall have advised the Lessee in writing that all sums due from the Trustee under the CSA have been fully satisfied and discharged, the Trustee irrevocably instructs the Lessee to make all the payments provided for in this Lease to the Agent, for the account of the Trustee, in care of the Agent, with instructions to the Agent (a) first to apply such payments to satisfy the obligations of the Trustee under the CSA known to the Agent to be due and payable on the date such payments are due and payable hereunder and (b) second, so long as no event of default under the CSA shall have occurred and be continuing, to pay any balance forthwith to the Trustee or to the order of the Trustee in immediately available funds at such place as the Trustee shall specify in writing. If the Lease Assignment is not executed and delivered, or if the Lessee shall have been advised by the Agent in writing that all sums due from the Trustee under the CSA have been fully discharged and satisfied, the installments of rental due hereunder and any Casualty Payments thereafter due pursuant to § 7 hereof shall be made to the Trustee in immediately available funds in the manner provided in § 3.4 hereof.

3.4. Payment in Immediately Available Funds. The Lessee agrees to make each payment provided for herein as contemplated by § 3.1 hereof in immediately available funds at or prior to 11:00 a.m. at the place where such payment is to be made.

§ 4. TERM OF LEASE

4.1. Beginning and Termination; Survival. The term of this Lease as to each Unit shall begin on the date of delivery and acceptance thereof pursuant to § 2 hereof and, subject to the provisions of §§ 7, 13 and 16 hereof,

shall terminate on the date on which the final payment of rent in respect thereof is due pursuant to § 3.1 hereof. The obligations of the Lessee hereunder (including but not limited to the obligations under §§ 6, 7, 10, 11, 12 and 17 hereof) shall survive the expiration of the term of this Lease.

4.2. Rights and Obligations of the Lessee Subject to CSA. All rights and obligations of the Lessee under this Lease and in and to the Units are subject to the rights of the Agent under the CSA. If an event of default should occur under the CSA, the Agent may terminate this Lease (or rescind its termination) without affecting the indemnities which by the provisions of this Lease survive the termination of its term; provided, however, that so long as (i) no Event of Default exists hereunder, (ii) the Lessee is complying with the provisions of the Consent, and (iii) the Agent is entitled to apply the payments (as defined in the Lease Assignment) in accordance with the Lease Assignment, this Lease may not be terminated and the Lessee shall be entitled to the rights of possession, use and assignment provided under § 15 hereof.

§ 5. IDENTIFICATION MARKS

The Lessee will cause each Unit to be kept numbered with the identification number set forth in Appendix A hereto or, in the case of any Unit not there listed, such identification number as shall be set forth in any supplement hereto extending this Lease to cover such Unit, and will keep and maintain, plainly and conspicuously marked on each side of each Unit, in letters not less than one inch in height, the words "OWNERSHIP SUBJECT TO A SECURITY AGREEMENT FILED WITH THE INTERSTATE COMMERCE COMMISSION", or other appropriate words designated by the Trustee, with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the Trustee's and the Agent's title to and property in such Unit. The Lessee will not place any such Unit in operation or exercise any control or dominion over the same until such words shall have been so marked on each side thereof and will replace promptly any such words which may be removed, defaced or destroyed. The Lessee will not change the identification number of any Unit unless and until (i) a statement of new number or numbers to be substituted therefor shall have been filed with the Agent and the Trustee and filed by the Lessee in all public

offices where this Lease and the CSA shall have been filed and (ii) the Lessee shall have furnished the Agent and the Trustee an opinion of counsel to the effect that such statement has been so filed, such filing will protect the Agent's and the Trustee's interests in such Units and no filing with or giving of notice to any other Federal, state or local government or agency thereof is necessary to protect the interests of the Agent and the Trustee in such Units.

The Units may be lettered with the names or initials or other insignia customarily used by the Lessee or its affiliates, but the Lessee will not allow the name of any other person, association or corporation to be placed on any Unit as a designation that might be interpreted as a claim of ownership.

§ 6. GENERAL TAX INDEMNIFICATION

The Lessee assumes responsibility for and agrees to pay and agrees to protect, save, keep harmless and indemnify the Trustee, the Owner and the Agent and their successors and assigns ("Indemnified Persons") against all taxes, assessments, fees, withholdings and other governmental charges of any nature whatsoever, including without limitation penalties and interest (all such taxes, assessments, fees, withholdings, governmental charges, penalties and interest called "Taxes"), imposed on, incurred by or asserted against any Indemnified Person or any Unit in whole or in part on account of or with respect to this Lease or the CSA or any document referred to herein or therein or any of the transactions contemplated hereby or thereby or the manufacture, purchase, acceptance or rejection of the Units or any portion thereof or the ownership, delivery, nondelivery, leasing, re-leasing, subleasing, possession, use, transfer of title, operation, maintenance, repair, condition, sale, return or other disposition of the Units or any portion thereof or any indebtedness with respect thereto or the rentals, receipts, earnings or gains arising therefrom; provided, however, that there shall be no indemnification hereunder (i) for any taxes imposed on or measured by any fees or compensation received by the Trustee or the Agent or for any taxes payable solely as a result of any actions taken or omissions to take any actions by such Indemnified Person in breach of any covenant set forth in this Lease or in any other document contemplated by the Participation Agreement and (ii) for any

Federal, state and local taxes measured by net income based upon the Trustee's receipt of payments provided for herein (other than payments due the Trustee under this § 6 for which the Trustee is entitled to a corresponding deduction in the calculation of its net income) and franchise and value added taxes which are in lieu of such net income taxes. The Lessee shall pay all Taxes for which it assumes liability hereunder when such Taxes are due and will indemnify each Indemnified Person to the extent required by this § 6 within 10 days after receipt of a written request by such Indemnified Person for indemnification specifying the amount to be paid, the basis on which such amount was determined and the nature of the Taxes in question; provided, however, that if any Taxes are being contested in accordance with the sixth paragraph of this § 6, any payment shall be made at the time therein provided.

In the event that the Trustee shall become obligated to make any payment to NACC or the Agent or otherwise pursuant to any corresponding provision of the CSA not covered by the foregoing paragraph of this § 6, the Lessee shall pay such additional amounts (which shall also be deemed Taxes hereunder) to the Trustee as will enable the Trustee to fulfill completely its obligations pursuant to said provision.

In the event any returns, statements or reports with respect to Taxes are required to be made, the Lessee will make such returns, statements and reports in such manner as to show the interest of the Trustee and the Agent in such Units, as shall be satisfactory to the Trustee and the Agent; provided, however, that the Trustee shall, with respect to any state of the United States or political subdivision thereof, file such returns, statements and reports relating to sales or use taxes and taxes, fees and charges on or measured by the Trustee's earnings or gross receipts arising from the Units or the value added by the Trustee thereto as the Lessee shall determine are required to be filed and as shall be prepared by the Lessee, and the Trustee shall remit the amount thereof upon payment by the Lessee to the Trustee (such payment to be made promptly upon demand by the Trustee therefor) of such taxes, fees and charges except as provided above. To the extent that the Trustee has information necessary to the preparation of such returns, statements and reports, it will furnish such information to the Lessee.

To the extent that the Lessee may be prohibited by law from performing in its own name the duties required by this § 6, the Trustee hereby authorizes the Lessee to act in the name of the Trustee and on its behalf; provided, however, that the Lessee shall indemnify and hold the Trustee harmless from and against any and all claims, costs, expenses, damages, losses and liabilities incurred in connection therewith as a result or incident to any action by the Lessee pursuant to this authorization.

The Lessee shall, whenever reasonably requested by the Trustee, submit to the Trustee copies of returns, statements, reports, billings and remittances, or furnish other evidence satisfactory to the Trustee of the Lessee's performance of its duties under this § 6. The Lessee shall also furnish promptly upon request such data as the Trustee reasonably may require to permit its compliance with the requirements of taxing jurisdictions.

If any taxing authority shall assert liability for any Taxes or propose an increase in the liability of any Indemnified Person for any such Taxes (such assertion or proposed increase called a "Claim"), indemnification for which would be required under this § 6, the Indemnified Person will notify the Lessee in writing within a reasonable time of such Claim. If the Lessee delivers to such Indemnified Person written notice of its desire to contest such Claim within 30 days after receipt of notice from such Indemnified Person, such Claim will be contested in accordance with this paragraph, except to the extent such Claim represents amounts payable to the Agent under Article 6 of the CSA. If reasonably requested by the Lessee in writing and upon receipt of an indemnification reasonably satisfactory to the Indemnified Person, the Trustee will permit the Lessee to contest such claims under Article 6 of the CSA in accordance with the rights of the Trustee thereunder; provided, however, that such contest shall not adversely affect the right, title and interest of the Trustee in the Units and the Lease. Such Indemnified Person will cooperate with any reasonable request made by the Lessee in connection therewith; provided, however, that such Indemnified Person may in its sole discretion determine in what court or other forum such contest will be conducted and whether such contest will proceed by payment of the Taxes in contemplation of a suit for refund, and such Indemnified Person shall not be required to take any action pursuant to this paragraph unless and until the Lessee shall have

agreed to indemnify such Indemnified Person in a manner satisfactory to such Indemnified Person for any liability or loss which such Indemnified Person may incur as a result of contesting the validity of any Claim and shall have agreed to pay such Indemnified Person on demand all costs and expenses which such Indemnified Person may incur in connection with contesting such Claim (including fees and disbursements of counsel). If in any such contest the decision is made to pay the Taxes and sue for a refund, the Lessee will advance to such Indemnified Person on an interest-free basis sufficient funds to pay the Taxes which are to be contested. Upon receipt by any Indemnified Person of a refund of any Taxes paid by the Lessee pursuant to this paragraph, the amount of such refund and any interest paid to such Indemnified Person with respect thereto shall be paid to the Lessee forthwith upon receipt by such Indemnified Person.

The Lessee covenants and agrees to pay all amounts due under this § 6 free of any Taxes and to indemnify each Indemnified Person against any Taxes imposed by reason of any payment made by the Lessee so that the Indemnified Person to whom or for whose benefit the payment is made shall receive an amount which, net of any Taxes or other charges required to be paid by such Indemnified Person in respect thereof, shall be equal to the amount of payment otherwise required hereunder.

In the event that the Lessee becomes liable for the payment or reimbursement of any Taxes pursuant to this § 6, such liability shall continue, notwithstanding the expiration of this Lease, until all such Taxes are paid or reimbursed by the Lessee.

§ 7. PAYMENT FOR CASUALTY OCCURRENCES; INSURANCE

7.1. Definition of Casualty Occurrence; Payments.

In the event that any Unit shall be or become worn out, lost, stolen, destroyed or, in the opinion of the Lessee, irreparably damaged from any cause whatsoever during the term of this Lease or any renewal term hereof or until such Unit is returned pursuant to § 14 or 17 hereof, or the Purchase Price of any Unit shall have been refunded by NACC pursuant to the terms of its patent indemnity therefor or any Unit shall be taken or requisitioned by condemnation or otherwise by the United States Government for a stated

period which shall exceed the then remaining term of this Lease or by any other governmental entity resulting in loss of possession by the Lessee for a period of 90 consecutive days during the term of this Lease or during any renewal term hereof (each such occurrence called a "Casualty Occurrence"), the Lessee shall promptly and fully notify the Trustee and the Agent with respect thereto. On the next succeeding rental payment date (each such date called a "Casualty Payment Date"), the Lessee shall pay to the Trustee a sum equal to the Casualty Value (as defined in § 7.4 hereof) of any such Unit as of such Casualty Payment Date, plus the rental in respect of such Unit accrued as of such Casualty Payment Date. Upon the making of such payment by the Lessee in respect of any Unit, the rental for such Unit shall cease to accrue, the term of this Lease as to such Unit shall terminate and the Trustee shall be entitled to recover possession of such Unit; provided, however, that the Lessee shall have no liability for a Unit which has been lost, stolen or completely destroyed if the Trustee is unable to recover such a Unit.

In addition to the occurrences constituting a Casualty Occurrence under the preceding paragraph, if any Unit shall have been taken or requisitioned by the United States Government or any other governmental entity and such taking or requisition shall not theretofore constitute a Casualty Occurrence as aforesaid, such taking or requisition shall be deemed a Casualty Occurrence if the same shall be continuing at the end of the term of this Lease, in which event the Lessee shall promptly and fully notify the Trustee with respect thereto and pay the Trustee on the last rental payment date an amount equal to 28.5909% of the Purchase Price of such Unit as the Casualty Value therefor (in addition to the rental in respect of such Unit accrued as of such date). Following such payment, the Lessee shall be entitled to receive condemnation payments in respect of such Unit up to an amount equal to such Casualty Value and any balance of such payments shall be the property of the Trustee. In the event such Unit shall be returned by the governmental entity prior to the time the Lessee shall have been reimbursed by such application of condemnation payments in an amount equal to such Casualty Value, then the Lessee shall dispose of such Unit as agent for the Trustee, and shall retain the proceeds of such disposition to the extent that the aggregate of the amounts so retained and the condemnation payments theretofore received by the Lessee shall equal such Casualty Value, and the balance of

such proceeds shall be promptly paid to the Trustee. In the event such Unit shall be returned by the governmental entity following the time the Lessee shall have been reimbursed by such application of condemnation payments in an amount equal to such Casualty Value, such Unit shall be returned by the Lessee to the Trustee in the manner provided in § 17 hereof.

Whenever any Unit shall suffer a Casualty Occurrence after termination of this Lease at the expiration of the original or extended term hereof and before such Unit shall have been returned in the manner provided in § 17 hereof, the Lessee shall promptly and fully notify the Trustee with respect thereto and pay to the Trustee (in addition to any amounts due pursuant to § 17 hereof) an amount equal to the Casualty Value of such Unit, which shall be 28.5909% of the Purchase Price of such Unit (unless such termination occurs after the term of this Lease has been extended pursuant to § 16 hereof, in which case the amount of such Casualty Value shall be as agreed upon between the Trustee and the Lessee at the time of such extension). Upon the making of any such payment by the Lessee in respect of any Unit, the Trustee shall be entitled to recover possession of such Unit; provided, however, that the Lessee shall have no liability for a Unit which has been lost, stolen or completely destroyed if the Trustee is unable to recover such a Unit.

7.2. Requisition by United States Government not Constituting a Casualty Occurrence. In the event of the requisition for use by the United States Government of any Unit for a period which does not exceed the term of this Lease or for an indefinite period (except where deemed a Casualty Occurrence pursuant to the last paragraph of § 7.1 hereof), all of the Lessee's obligations under this Lease with respect to such Unit shall continue to the same extent as if such requisition had not occurred. All payments received by the Trustee or the Lessee from the United States Government for the use of such Unit during the term of this Lease shall be paid over to or retained by the Lessee, provided no Event of Default (or other event which after notice or lapse of time or both would become an Event of Default) shall have occurred and be continuing.

7.3. Lessee Agent for Disposal. The Trustee hereby appoints the Lessee its agent to dispose of any Unit suffering a Casualty Occurrence or any component thereof

before and after expiration of the Lease at the best price obtainable on an "as is, where is" basis. Provided that the Lessee has previously paid the Casualty Value to the Trustee, the Lessee shall be entitled to the proceeds of such sale to the extent they do not exceed the Casualty Value of such Unit and shall pay any excess to the Trustee.

7.4. Amount of Casualty Value. The Casualty value of each Unit as of the Casualty Payment Date on which payment is to be made as aforesaid shall be an amount equal to that percentage of the Purchase Price of such Unit as is set forth in Appendix B hereto opposite the numbered Casualty Payment Date next succeeding the actual date of such Casualty Occurrence or, if there is no such numbered Casualty Payment Date, the last rental payment date; but in no event shall such amount be less than the "Casualty Value" (as defined in Section 7.3 of the CSA) as of such Casualty Payment Date.

7.5. No Release. Except as provided in this § 7, the Lessee shall not be released from its obligations hereunder in the event of any Casualty Occurrence, and shall bear the risk of any Casualty Occurrence to any Unit from and after delivery and acceptance thereof by the Lessee hereunder.

7.6. Insurance To Be Maintained. (1) The Lessee (i) will at all times prior to the return of the Units to the Trustee, at its own expense, cause to be carried and maintained public liability insurance providing coverage of not less than \$10,000,000 with respect to third party personal injury and property damage and (ii) will cause to be carried and maintained property insurance in respect of the Units at the time subject hereto providing coverage of not less than the amount of the Casualty Value of the Units (with a deductible not to exceed \$1,000,000). The Lessee will carry such insurance in such amounts, for such risks, with such deductibles and with such insurance companies, satisfactory to the Trustee and the Agent and in any event consistent with prudent industry practice and at least comparable in amounts and against risks customarily insured against by the Lessee in respect of equipment owned or leased by it similar in nature to the Units. The proceeds of any such insurance shall be payable to the Agent, the Trustee and the Lessee, as their respective interests may appear, so long as the indebtedness, if any, evidenced by the CSA shall not have been paid in full, and thereafter to

the Trustee and, so long as there is no Event of Default hereunder, the Lessee as their respective interests may appear. Any policies of insurance carried in accordance with this paragraph shall (i) require 30 days' prior notice of cancelation or material change in coverage to the Trustee and the Agent, (ii) name the Trustee, the Owner and the Agent as additional named insureds and as loss payees as their respective interests may appear and (iii) waive any right to claim any premiums or commissions against the Trustee, the Owner and the Agent. In the event such policies shall contain breach of warranty provisions, such policies shall provide that in respect of the interests of the Trustee, the Owner and the Agent in such policies the insurance shall not require contributions from other policies held by the Trustee, the Owner or the Agent and shall not be invalidated by any action or inaction of the Lessee or any other person (other than the Trustee, the Owner and the Agent, respectively) and shall insure the Trustee, the Owner and the Agent regardless of any breach or violation of any warranty, declaration or condition contained in such policies by the Lessee or by any other person (other than the Trustee, the Owner or the Agent, respectively). Prior to the first date of delivery of any Unit pursuant to the CSA, and thereafter not less than 15 days prior to the expiration dates of the expiring policies theretofore delivered pursuant to this § 7, the Lessee shall deliver to the Trustee certificates issued by the insurer(s) for the insurance maintained pursuant to this § 7; provided, however, that if the delivery of any certificate is delayed, the Lessee shall deliver an executed binder with respect thereto and shall deliver the certificate upon receipt thereof.

(2) In the event that the Lessee shall fail to maintain insurance as herein provided, the Trustee may at its option provide such insurance (giving the Lessee prompt written notice thereof) and, in such event, the Lessee shall, upon demand, reimburse the Trustee for the cost thereof together with interest thereon at the rate per annum specified in § 19 hereof.

(3) Notwithstanding the above, the Trustee may, at its option and expense, provide casualty insurance in amounts which are in excess of the Casualty Value and which policies may name the Trustee as the loss payee. If the Trustee exercises said option, then the Lessee will cooperate with the reasonable requests of the Trustee so as to

effect this insurance coverage; it being understood that any insured coverage under this subparagraph (3) is expressly within the Trustee's option and in no way relieves the Lessee from any of its responsibilities under this § 7.6.

7.7. Insurance Proceeds and Condemnation Payments. If the Trustee shall receive (directly or from the Agent) any insurance proceeds or condemnation payments in respect of such Units suffering a Casualty Occurrence, the Trustee shall pay the same to the Lessee up to an amount equal to the Casualty Value with respect to any Unit and any balance shall remain the property of the Trustee; provided, however, that no Event of Default shall have occurred and be continuing and the Lessee shall have made payment of the Casualty Value and accrued rentals in respect of such Units to the Trustee. All insurance proceeds received by the Trustee (directly or from the Agent) in respect of any damage to any Unit not constituting a Casualty Occurrence shall be paid to the Lessee upon proof satisfactory to the Trustee that the damage to such Unit in respect of which such proceeds were paid has been fully repaired.

§ 8. REPORTS

On or before August 31 in each year, commencing with the year 1981, the Lessee will furnish to the Trustee, the Owner and the Agent an accurate statement stating (a) as at the preceding May 31 the total number, description and identification numbers of all Units then leased hereunder and covered by the CSA and of all Units that have suffered a Casualty Occurrence during the preceding calendar year or are then undergoing repairs (other than running repairs) or then withdrawn from use pending repairs (other than running repairs) and such other information regarding the condition and state of repair of the Units as the Trustee or the Agent may reasonably request, (b) in the case of all Units repainted or repaired during the period covered by such statement, that the numbers and markings required by § 5 hereof have been preserved or replaced and (c) that the Lessee is in compliance under this Lease and has performed or has caused to be performed the required maintenance of the Units and that no event has occurred which with notice or the lapse of time or both would constitute an Event of Default. The Trustee and the Agent shall each have the right by its agents to inspect the

Units and the Lessee's records with respect thereto at such reasonable times as they may request during the continuance of this Lease.

§ 9. DISCLAIMER OF WARRANTIES

THE TRUSTEE DOES NOT MAKE, HAS NOT MADE AND SHALL NOT BE DEEMED TO MAKE OR HAVE MADE ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE DESIGN OR CONDITION OF, OR AS TO THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE UNITS DELIVERED TO THE LESSEE HEREUNDER, AND THE TRUSTEE DOES NOT MAKE ANY WARRANTY OF MERCHANTABILITY OR FITNESS OF THE UNITS FOR ANY PARTICULAR PURPOSE NOR AS TO TITLE TO THE UNITS OR ANY COMPONENT THEREOF, NOR ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO ANY UNIT, EITHER UPON DELIVERY THEREOF TO THE LESSEE OR OTHERWISE, it being agreed that all such risks, as between the Trustee and the Lessee, are to be borne by the Lessee; but the Trustee hereby irrevocably appoints and constitutes the Lessee its agent and attorney-in-fact during the term of this Lease to assert and enforce from time to time, in the name of and for the account of the Trustee or the Lessee, as their interests may appear, at the Lessee's sole cost and expense, whatever claims and rights the Trustee may have against NACC under the provisions of Items 3 and 4 of Annex A of the CSA; provided, however, that if at any time an Event of Default shall have occurred and be continuing, the Trustee may assert and enforce such claims and rights at the Lessee's sole cost and expense. The Trustee shall have no responsibility or liability to the Lessee or any other person with respect to any of the following: (i) any liability, loss or damage caused or alleged to be caused directly or indirectly by any Units or by any inadequacy thereof or deficiency or defect therein or by any other circumstances in connection therewith; (ii) the use, operation or performance of any Units or any risks relating thereto; (iii) any interruption of service, loss of business or anticipated profits or consequential damages; or (iv) the delivery, operation, servicing, maintenance, repair, improvement or replacement of any Units. The Lessee's delivery of a Certificate of Acceptance shall be conclusive evidence as between the Lessee and the Trustee that the Units described therein are in all the foregoing respects satisfactory to the Lessee, and the Lessee will not assert any claim of any nature whatsoever against the Trustee or the Agent based on any of the foregoing matters.

§ 10. LAWS AND RULES

10.1. Compliance. The Lessee agrees, for the benefit of the Trustee and the Agent, to comply in all respects (including without limitation the use, maintenance and operation of each Unit) with all laws of the jurisdictions in which operations involving the Units may extend, with the interchange rules of the Association of American Railroads and with all lawful rules of the United States Department of Transportation, the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Units, to the extent that such laws and rules affect the title, operation or use of the Units (all such laws and rules to such extent called "Applicable Laws"), and in the event that any Applicable Law requires any alteration, replacement or addition of or to any part on any Unit, the Lessee will conform therewith at its own expense; provided, however, that the Lessee may at its own expense, in good faith, contest the validity or application of any Applicable Law in any reasonable manner which does not, in the opinion of the Trustee or the Agent, adversely affect the property or rights of the Trustee or the Agent under this Lease or under the CSA.

10.2. Reports for Trustee. The Lessee agrees to prepare and deliver to the Trustee and the Agent within a reasonable time prior to the required date of filing (or, to the extent permissible, file on their behalf) any and all reports (other than income tax returns) to be filed by the Trustee with any Federal, state or other regulatory authority by reason of the ownership by the Trustee or the Agent of the Units or the leasing thereof to the Lessee.

§ 11. MAINTENANCE

11.1. Units in Good Operating Order. The Lessee, at its own cost and expense, will maintain and keep each Unit (including any parts installed on or replacements made to any Unit and considered an accession thereto as hereinbelow provided) which is subject to this Lease in good operating order, repair and condition, ordinary wear and tear excepted, and eligible for railroad interchange in accordance with the Applicable Laws and in the same condition as other similar Equipment owned or leased by the Lessee.

11.2. Additions and Accessions. (1) Except as set forth in §§ 10.1 and 11.1 hereof, the Lessee, at its own cost and expense, may from time to time make such other additions, modifications and improvements to the Units as are readily removable without causing material damage to the Units (and do not adversely and materially affect the value of the Units) which shall be owned by the Lessee, except to the extent such additions, modifications or improvements are made in order to comply with § 11.2(2) hereof.

(2) Any and all parts installed on and additions and replacements made to any Unit (i) which are not readily removable without causing material damage to such Unit installed or added to such Unit in contravention of § 11.2(1) hereof, (ii) the cost of which is included in the Purchase Price of such Unit, (iii) in the course of ordinary maintenance of the Units or (iv) which are required for the operation or use of such Unit in railroad interchange by the Applicable Laws shall constitute accessions to such Unit and full ownership thereof free from any lien, charge, security interest or encumbrance (except for those created by the CSA) shall immediately be vested in the Trustee and the Agent as their respective interests may appear in the Unit.

§ 12. INDEMNIFICATION

12.1. Indemnified Persons. The Lessee shall pay and shall protect, indemnify and hold harmless the Trustee (in both its individual and fiduciary capacities), the Owner, the Agent and their respective successors, assigns, agents and servants ("Indemnified Persons") from and against any and all causes of action, suits, penalties, claims, demands or judgments of any nature whatsoever which may be imposed on, incurred by or asserted against any Indemnified Person (including any or all liabilities, obligations, damages, costs, disbursements or expenses relating thereto, including without limitation the attorneys' fees and expenses of any Indemnified Person) in any way relating to or arising or alleged to arise out of this Lease, the CSA or the Units, including without limitation those in any way relating to or arising or alleged to arise out of (i) the manufacture, purchase, acceptance, rejection, ownership, delivery, nondelivery, lease, possession, use, operation, condition, sale, return or other disposition of any Unit or portion thereof; (ii) any latent or

other defects whether or not discoverable by the Indemnified Person or the Lessee; (iii) any claim for patent or trademark infringement; (iv) any claims based on strict liability in tort; (v) any injury to or the death of any person or any damage to or loss of property on or near the Units or in any manner arising or alleged to arise out of the ownership, use, replacement, adaptation or maintenance of the Units or of any other equipment in connection with the Units (whether owned or under the control of the Indemnified Person, the Lessee or any other person) or resulting or alleged to result from the condition of any thereof; (vi) any violation or alleged violation of any provision of this Lease or of any agreement, law, rule, regulation, ordinance or restriction, affecting or applicable to the Units or the leasing, ownership, use, replacement, adaptation or maintenance thereof, except to the extent any such violation arises from the gross negligence or wilful misconduct of the Trustee; or (vii) any claim arising out of any of the Trustee's obligations under the Lease Assignment or the Agent's retention of a security interest under the CSA or the Lease Assignment or the Participation Agreement (all such matters called "Indemnified Matters"), except to the extent such claim arises from the gross negligence or wilful misconduct of the Trustee. The Lessee shall be obligated under this § 12.1, whether or not any Indemnified Person shall also be indemnified with respect to any Indemnified Matter under any other agreement by any other person, and the Indemnified Person may proceed directly against the Lessee under this § 12.1 without first resorting to any such other rights of indemnification. In case any action, suit or proceeding is brought against any Indemnified Person in connection with any Indemnified Matter, the Lessee may and, upon such Indemnified Person's request, will at the Lessee's expense defend such action, suit or proceeding, or cause the same to be defended by counsel selected by the Lessee and approved by such Indemnified Person and, in the event of any failure by the Lessee to do so, the Lessee shall pay all costs and expenses (including without limitation attorneys' fees and expenses) incurred by such Indemnified Person in connection with such action, suit or proceeding. In the event the Lessee is required to make any indemnification under this § 12, the Lessee shall pay such Indemnified Person an amount which, after deduction of all taxes required to be paid by such Indemnified Person in respect of the receipt thereof under the laws of the United States or of any political subdivision thereof (after giving credit for any

savings in respect of any such taxes by reason of deductions, credits or allowances in respect of the payment of the expense indemnified against and of any other such taxes as determined in the sole discretion of the Indemnified Person), shall be equal to the amount of such payment. The Lessee and the Trustee each agrees to give the other promptly upon obtaining knowledge thereof written notice of any claim hereby indemnified against. Upon the payment in full by the Lessee of any indemnities as contained in this § 12, and provided that no Event of Default (or other event which with notice or lapse of time or both would constitute an Event of Default) shall have occurred and be continuing, the Lessee shall be subrogated to any right of such Indemnified Person in respect of such Indemnified Matter. Any payments received by such Indemnified Person from any person (except the Lessee) as a result of any Indemnified Matter shall be paid over to the Lessee to the extent necessary to reimburse the Lessee for its indemnification payments previously made. Nothing in this § 12.1 shall constitute a guarantee by the Lessee of the CSA Indebtedness (as defined in the CSA) or a guarantee of the residual value of any Unit.

12.2. Indemnification of NACC. The Lessee further agrees to indemnify, protect and hold harmless NACC as a third party beneficiary hereof from and against any and all liability, claims, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against NACC because of the use in or about the construction or operation of any of the Units of any article or material specified by the Lessee and not manufactured by NACC or by Ingalls Ship Building Division of Litton Industries, Inc. ("Ingalls"), or of any design, process or combination specified by the Lessee and not developed by NACC or by Ingalls which infringes or is claimed to infringe on any patent or other right. The Lessee will give notice to NACC of any claim known to the Lessee from which liability may be charged against NACC hereunder.

12.3. Survival. The indemnities contained in this § 12 shall survive the expiration or termination of this Lease with respect to all events, facts, conditions or other circumstances occurring or existing prior to such expiration or termination and are expressly made for the benefit of and shall be enforceable by any Indemnified Person. None of the indemnities in this § 12 shall be

deemed to create any rights of subrogation in any insurer or third party against the Lessee therefor, from or under any Indemnified Person, whether because of any claim paid or defense provided for the benefit thereof or otherwise.

§ 13. DEFAULT

13.1. Events of Default; Remedies. If, during the continuance of this Lease or any extension or renewal thereof, one or more of the following events (each such event an "Event of Default") shall occur:

(A) default shall be made in payment of any amount provided for in § 3, 7 or 17 hereof, and such default shall continue for 10 days;

(B) the Lessee shall make or permit any unauthorized assignment or transfer of this Lease, or any interest herein, or of the right to possession of any Units;

(C) default shall be made in the observance or performance of any other covenant, condition or agreement on the part of the Lessee contained herein, in the Participation Agreement or the Indemnity Agreement or the Consent (both as defined in the Participation Agreement) and such default shall continue for 30 days after written notice from the Trustee or the Agent to the Lessee specifying the default and demanding that the same be remedied;

(D) any representation or warranty made by the Lessee herein, in the Participation Agreement or the Indemnity Agreement or the Consent or in any certificate or statement furnished to the Trustee or the Agent pursuant to or in connection with any such agreement proves untrue in any material respect as of the date of making thereof;

(E) a petition for reorganization under Title 11 of the United States Code, as now constituted or as hereafter amended, shall be filed by or against the Lessee and, unless such petition shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Lessee under this

Lease and the Consent shall not have been and shall not continue to be duly assumed in writing within 60 days after such petition shall have been filed, pursuant to a court order or decree, by a trustee or trustees appointed (whether or not subject to ratification) in such proceedings in such manner that such obligations shall have the same status as expenses of administration and obligations incurred by such trustee or trustees;

(F) any other proceeding shall be commenced by or against the Lessee for any relief which includes or might result in any modification of the obligations of the Lessee hereunder or under the Consent under any bankruptcy or insolvency laws or laws relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustments of such obligations), and, unless such proceedings shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all such obligations shall not have been and shall not continue to be duly assumed in writing within 60 days after such proceedings shall have been commenced, pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed (whether or not subject to ratification) for the Lessee or for the property of the Lessee in connection with any such proceedings in such manner that such obligations shall have the same status as expenses of administration and obligations incurred by such trustee or trustees or receiver or receivers; or

(G) an event of default set forth in Article 16 of the CSA shall have occurred and be continuing arising out of any default by the Lessee in performing any of its obligations hereunder;

then, in any such case, the Trustee, at its option, may:

(a) proceed by appropriate court action or actions either at law or in equity to enforce performance by the Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof; or

(b) by notice in writing to the Lessee terminate this Lease, whereupon all rights of the Lessee to the use of the Units shall absolutely cease and terminate as though this Lease had never been made, but the Lessee shall remain liable as herein provided; and thereupon the Trustee may by its agents enter upon the premises of the Lessee or other premises, insofar as the Lessee may be lawfully authorized to so permit, where any of the Units may be located, without judicial process if this can be done without breach of the peace and in accordance with due process of law, and take possession of all or any of such Units and possess the same free from any right of the Lessee to use the Units for any purposes whatever; but the Trustee shall, nevertheless, have a right to recover from the Lessee any and all amounts which under the terms of this Lease may be then due or which may have accrued to the date of such termination (computing the rental for any number of days less than a full rental period by multiplying the rental for such full rental period by a fraction of which the numerator is such number of days and the denominator is the total number of days in such full rental period), to recover any damages and expenses, including reasonable attorneys' fees, which the Trustee shall have sustained by reason of the breach of any covenant, representation or warranty of this Lease other than for the payment of rental and also to recover forthwith from the Lessee as liquidated damages for loss of a bargain and not as a penalty whichever of the following amounts that the Trustee in its sole discretion shall specify, (i) the excess of the present value, at the time of such termination, of the entire unpaid balance of all rentals for each Unit which would otherwise have accrued hereunder from the date of such termination to the end of the term of this Lease as to such Unit over the then present value of the rental which the Trustee reasonably estimates to be obtainable for each Unit during such period (such present value to be computed in each case on the basis of a 7% per annum discount, compounded monthly from the respective dates upon which rentals would have been payable hereunder had this Lease not been terminated) or, if such Unit is sold, the net proceeds of the sale or (ii) an amount equal to the excess, if any, of the Casualty Value as of the Casualty Payment Date on or next preceding the date of termination over the amount

the Trustee reasonably estimates to be the net proceeds of the sale of such Unit at such time; provided, however, that in the event the Trustee shall have sold any Unit, the Lessee shall, if the Trustee shall so elect, pay to the Trustee on the date of such sale, as liquidated damages for loss of a bargain and not as a penalty, an amount equal to the excess, if any, of the Casualty Value for such Unit as of the Casualty Payment Date on or next preceding the date of termination over the net proceeds of such sale in lieu of collecting any amounts payable by the Lessee pursuant to the preceding clause (ii) with respect to such Unit.

13.2. Remedies Not Exclusive; Waiver. The remedies in this Lease provided in favor of the Trustee shall not be deemed exclusive, but shall be cumulative and may be exercised concurrently or consecutively, and shall be in addition to all other remedies in its favor existing at law or in equity. The Lessee hereby waives any mandatory requirements of law now or hereafter in effect which might limit or modify the remedies herein provided, to the extent that such waiver is not, at the time in question, prohibited by law. The Lessee hereby waives any and all existing or future claims to any offset against the rental payments due hereunder and agrees to make such payments regardless of any offset or claim which may be asserted by or on behalf of the Lessee.

13.3. Failure To Exercise Rights Is Not Waiver. The failure of the Trustee to exercise the rights granted it hereunder upon the occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies or similar contingencies.

13.4. Notice of Event of Default. The Lessee agrees to furnish written notice to the Trustee and the Agent, promptly upon any responsible officer becoming aware of any condition which constituted or constitutes an Event of Default under this Lease or which after notice or lapse of time or both would constitute such an Event of Default, specifying such condition and the nature and status thereof. A "responsible officer" shall mean, with respect to the subject matter of any covenant, agreement or obligation of the Lessee in this Lease contained, any corporate officer of the Lessee who, in the normal performance of his operational responsibilities, would have knowledge of such

matter and the requirements of this Lease with respect thereto.

§ 14. RETURN OF UNITS UPON DEFAULT

14.1. Return of Units. If this Lease shall terminate pursuant to § 13 hereof or Article 16 of the CSA, the Lessee shall forthwith deliver possession of the Units to the Trustee. Each Unit so delivered shall be in the same operating order, repair and condition as when originally delivered to the Lessee, ordinary wear and tear excepted, and shall have attached or affixed thereto any special device considered an accession thereto as provided in § 11 hereof and shall have removed therefrom at the Lessee's expense any addition, modification or improvement which, as provided in § 11 hereof, is owned by the Lessee. For the purpose of delivering possession of any Unit or Units as above required, the Lessee shall at its own cost, expense and risk:

(a) forthwith and in the usual manner (including without limitation giving prompt telegraphic and written notice to the Association of American Railroads and all railroads to which any Unit or Units have been interchanged or which may have possession thereof to return the Unit or Units) place such Units upon such storage tracks as the Trustee reasonably may designate;

(b) cause such Units to be stored on such tracks for a period not to exceed 150 days at the risk of the Lessee without charge for insurance, rent or storage until all such Units have been sold, leased or otherwise disposed of by the Trustee; and

(c) cause the same to be transported once to any reasonable place within the continental United States as directed by the Trustee.

The assembling, delivery, storage, insurance and transporting of the Units as hereinbefore provided shall be at the expense and risk of the Lessee and are of the essence of this Lease, and upon application to any court of equity having competent jurisdiction the Trustee shall be entitled to a decree against the Lessee requiring specific performance thereof. During any storage period, the Lessee will, at its own cost and expense, continue to insure, maintain

and keep the Units in good order and repair in accordance with the provisions hereof applicable thereto and will permit the Trustee or any person designated by it, including the authorized representative or representatives of any prospective purchaser, lessee or user of any such Unit, to inspect the same. All amounts earned in respect of the Units after the date of termination of this Lease shall belong to the Trustee and, if received by the Lessee, shall be promptly turned over to the Trustee. In the event any Unit is not assembled, delivered and stored as hereinabove provided within 30 days after such termination, the Lessee shall in addition pay to the Trustee for each day thereafter an amount equal to the amount, if any, by which the percentage of the Purchase Price of such Unit for each such day (obtained by dividing the basic lease rate as set forth in § 3.1 hereof for each monthly payment for such Unit by 30) exceeds the actual earnings received by the Trustee on such Unit for each such day. Such payment shall not offset the obligation of the Lessee to redeliver the Equipment pursuant to the first sentence of this section.

14.2. Trustee Appointed Agent of Lessee. The Lessee hereby irrevocably appoints the Trustee as the agent and attorney of the Lessee, with full power and authority, at any time while the Lessee is obligated to deliver possession of any Unit to the Trustee, to demand and take possession of such Unit in the name and on behalf of the Lessee from whosoever shall be in possession of such Unit.

§ 15. ASSIGNMENT, POSSESSION AND USE

15.1. Assignment; Consent. This Lease shall be assignable in whole or in part by the Trustee without the consent of the Lessee. The Lessee hereby acknowledges the assignment of this Lease pursuant to the Lease Assignment.

15.2. Lessee's Rights To Use the Units. (1) So long as (i) no Event of Default exists hereunder, (ii) the Lessee is complying with the provisions of the Consent and (iii) the Agent is entitled to apply the Payments (as defined in the Lease Assignment) in accordance with the Lease Assignment, the Lessee shall be entitled to the possession and use of the Units in accordance with the terms of this Lease and the CSA. The Lessee shall not assign or transfer its leasehold interest under this Lease in the Units or any of them without the prior written consent of the Trustee and

the Agent, except as provided in paragraph (2) of this § 15.2; and the Lessee shall not part with the possession or control of, or allow to pass out of its possession or control, any of the Units without the prior written consent of the Trustee and the Agent, except as provided in said paragraph (2). The Lessee, at its own expense, will promptly pay or discharge any and all sums claimed by any party which if unpaid might become a lien, charge, security interest or other encumbrance (other than an encumbrance created by the Trustee or the Agent or resulting from claims against the Trustee or the Agent not related to the ownership of the Units or any encumbrance on the leasehold estate of the Lessee which is subordinate to the interests of the Trustee and the Agent) upon or with respect to any Unit, including any accession thereto or the interest of the Trustee, the Agent or the Lessee therein, and will promptly discharge any such lien, claim, security interest or other encumbrance which arises.

(2) So long as no Event of Default exists hereunder and no event of default exists under the CSA, the Lessee shall be entitled to the possession and use of the Units by it or any affiliate upon lines of railroad owned or operated by it or any such affiliate or upon lines of railroad over which the Lessee or any such affiliate has trackage or other operating rights or over which any of their railroad equipment is regularly operated pursuant to contract and shall be entitled to permit the use of the Units upon connecting and other carriers in the usual interchange of traffic or pursuant to run-through agreements and to sublease the Units, but only upon and subject to all the terms and conditions of this Lease and the CSA; provided, however, that the Lessee shall not assign, sublease or use or permit the assignment, sublease or use of any Unit predominantly outside the United States within the meaning of Section 48(a) of the Internal Revenue Code of 1954, as amended to the date hereof, nor shall the Lessee assign or sublease to or permit the sublease or use of the Units by any person in whose hands such Units would not qualify as "section 38 property" within the meaning of said Code. The Lessee may receive and retain compensation for the use of any of the Units from railroads or other entities so using such Units. Any sublease permitted by this paragraph shall be in form and substance satisfactory to the Agent and the Trustee and shall be expressly subordinate to the rights and remedies of the Agent under the CSA and the Trustee under this Lease in respect of the Units covered by such sublease.

15.3. Merger, Acquisition or Consolidation.

Nothing in this § 15 shall be deemed to restrict the right of the Lessee to assign its leasehold interest under this Lease or possession of the Units to any corporation incorporated under the laws of any state of the United States or the District of Columbia into or with which the Lessee shall have become merged or consolidated or which shall have acquired the property of the Lessee as an entirety or substantially as an entirety and which shall have duly assumed the obligations of the Lessee hereunder, provided that such assignee will not, upon the effectiveness thereof, be in default under any provision of this Lease, and provided further that the surviving corporation of such a merger or consolidation or the corporation which shall have acquired the property of the Lessee has a net worth which is not less than the net worth of the Lessee immediately prior to such merger, consolidation or acquisition of property. In each case, net worth shall be determined in accordance with generally accepted accounting principles.

§ 16. RENEWAL OPTIONS

16.1. Renewal for Successive Period. The parties hereto contemplate that at the end of the original term of this Lease, the Trustee will hold the Units for release. Prior to the delivery of the Units pursuant to § 2 hereof, the Trustee will enter into an agreement ("Option") with Tiger Financial Services, Inc. ("Tiger"), pursuant to which the Trustee will grant to Tiger the option to lease all but not fewer than all of the Units for a five-year term commencing at the end of the original term of this Lease on such terms as are set forth in the Option. Provided that this Lease has not been earlier terminated and the Lessee is not in default hereunder, if Tiger shall fail to exercise its option to lease the Units at the end of the original term of this Lease, then the Lessee may by written notice delivered to the Trustee not less than 180 days nor more than 270 days prior to the end of the original term of this Lease elect to extend such original term of this Lease in respect of all but not less than all the Units then covered by this Lease for a period of five years or such other time acceptable to both the Lessee and Trustee commencing on the scheduled expiration of such original term of this Lease, at a "Fair Market Rental" payable, in arrears, in monthly payments on the day such rentals were payable for the Units in each year of

such extended term. In the event of any such renewal, the Casualty Value payable in respect of a Casualty Occurrence involving any Unit shall be as agreed upon by the Trustee and the Lessee.

16.2. Determination of Fair Market Rental.

(1) The Fair Market Rental for each extended term of this Lease shall be equal to the rental which would be obtained in an arm's-length transaction between an informed and willing lessee (other than a lessee currently in possession) and an informed and willing lessor under no compulsion to lease, and costs of removal from the location of current use shall not be a deduction from such rental.

(2) If, after 45 days from the giving of notice by the Lessee of the Lessee's election to extend the term of this Lease, the Trustee and the Lessee are unable to agree upon a determination of the Fair Market Rental of the Units, either party to such determination may give written notice to the other requesting determination of such value by an appraisal procedure, and the parties shall consult for the purpose of appointing a qualified independent appraiser by mutual agreement. If no such appraiser is so appointed within 20 days after such notice is given, each party shall appoint an appraiser within 25 days after such notice is given, and the two appraisers so appointed shall within 35 days after such notice is given appoint a third independent appraiser. If no such third appraiser is appointed within 35 days after such notice is given, either party may apply to make such appointment to the American Arbitration Association and both parties shall be bound by any appointment so made. Any appraiser or appraisers appointed pursuant to the foregoing procedure shall be instructed to determine the Fair Market Rental of the Units subject to the proposed extended term within 60 days after his or their appointment. If the parties shall have appointed a single appraiser or if either party shall have failed to appoint an appraiser, the determination of Fair Market Rental of the single appraiser appointed shall be final. If three appraisers shall be appointed, the determination of the appraiser which differs most from the other two appraisers shall be excluded, the remaining two determinations shall be averaged and such latter average shall be final and binding upon the parties hereto as the Fair Market Rental. The appraisal proceedings shall be conducted in accordance with the Commercial Arbitration Rules of the American

Arbitration Association as in effect on the date hereof, except as modified hereby. The provision for this appraisal procedure shall be the exclusive means of determining Fair Market Rental and shall be in lieu of any judicial or other procedure for the determination thereof, and each party hereto hereby consents and agrees not to assert any judicial or other procedures. The expenses of the appraisal procedure shall be borne by the Lessee.

§ 17. RETURN OF UNITS UPON EXPIRATION OF LEASE TERM

As soon as practicable on or after the expiration of the original or any extended term of this Lease with respect to any Unit, and in any event not later than 150 days thereafter, the Lessee will, at its own cost and expense, deliver possession of such Unit to the Trustee upon such storage tracks as the Trustee may reasonably designate or, in the absence of such designation, as the Lessee may select, and permit the Trustee to store such Unit on such tracks for a period not exceeding three months and transport the same upon disposition of the Units, at any one time within such 150 day period, to any reasonable place or to any connecting carrier for shipment, all as directed by the Trustee, the movement and storage of such Units to be at the expense and risk of the Lessee. Upon delivery pursuant to the preceding sentence, the Lessee shall be absolved of any further responsibility for such Units. During any such storage period the Lessee will permit the Trustee or any person designated by it, including the authorized representative or representatives of any prospective purchaser, lessee or user of such Unit, to inspect the same; provided, however, that the Lessee shall not be liable, except in the case of negligence of the Lessee or of its employees or agents, for any injury to, or the death of, any person exercising the rights of inspection granted under this sentence. Each Unit returned to the Trustee pursuant to this § 17 shall (i) be in the same operating order, repair and condition as when originally delivered to the Lessee, reasonable wear and tear excepted, (ii) meet all standards of the Applicable Laws then in effect and (iii) have attached or affixed thereto any special device considered an accession thereto as provided in § 11 hereof and have removed therefrom any such device not so considered an accession. The assembling, delivery, storage and transporting of the Units as hereinbefore

provided are of the essence of this Lease, and upon application to any court of equity having competent jurisdiction, the Trustee shall be entitled to a decree against the Lessee requiring specific performance thereof. The Lessee shall be required to pay to the Trustee rent for each day any Unit is not so returned in an amount equal to 0.0304% multiplied by the Purchase Price of such Unit for each day from the expiration of the Lease to the date such Unit is returned. In the event any Unit is not assembled, delivered, stored and transported, as hereinabove provided, after such termination, the Lessee shall, in addition, pay to the Trustee for each day thereafter an amount equal to the amount, if any, by which that percentage of the Purchase Price of such Unit for each such day (obtained by dividing the basic lease rate as set forth in § 3.1 hereof for each monthly payment for such Unit by 30) exceeds the actual earnings received by the Trustee on such Unit for each such day.

§ 18. FILING

The Lessee, at its own expense, will cause this Lease, the CSA, the CSA Assignment and the Lease Assignment to be filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 prior to the delivery and acceptance of any Unit hereunder, and will undertake the filing required of the Trustee under the CSA. The Lessee will from time to time perform any other act and will execute, acknowledge, deliver and file (and will refile whenever required) any and all further instruments required by law or reasonably requested by the Trustee or the Agent for the purpose of proper protection, to their satisfaction, their respective interests in the Units, or for the purpose of carrying out the intention of this Lease, the CSA, the CSA Assignment and the Lease Assignment; and the Lessee will promptly furnish to the Agent and the Trustee evidence of all such filing and an opinion or opinions of counsel for the Lessee with respect thereto satisfactory to the Agent and the Trustee.

§ 19. INTEREST ON OVERDUE RENTALS

The Lessee shall promptly pay, to the extent legally enforceable, an amount equal to the interest at the rate per annum which is the greater of (a) 11.95% or

(b) 200 basis points above the rate charged by the Owner to its most credit worthy customers for 90 day unsecured loans on any overdue rentals and other obligations due hereunder for the period of time during which they are overdue.

§ 20. TRUSTEE'S RIGHT TO PERFORM FOR LESSEE

If the Lessee fails to perform any of its agreements contained herein, the Trustee may upon notice to the Lessee perform such agreement, and the amount of the reasonable cost and expenses of the Trustee incurred in connection with such performance, together with interest on such amount at rate per annum which is the greater of (a) 11.95% or (b) 200 basis points above the rate charged by the Owner to its most credit worthy customers for 90 day unsecured loans, shall be payable by the Lessee upon demand, except as otherwise provided in this Lease. No such performance or compliance by the Trustee shall be deemed a waiver of the rights and remedies of the Trustee or any assignee of the Trustee against the Lessee hereunder.

§ 21. NOTICES

Any notice required or permitted to be given to any party hereto shall be deemed to have been given when delivered or mailed, first class, postage prepaid, addressed as follows:

(a) if to the Lessee, at 15407 McGinty Road, Dept. 21, Minnetonka, Minnesota 55343, attention of Controller, Salt Division;

(b) if to the Trustee, at 130 South LaSalle Street, Chicago, Illinois 60690, attention of Corporate Trust Department, with a copy to the Owner at 48 Wall Street, New York, New York 10015, attention of Leasing Department;

or addressed to any party at such other address as such party shall hereafter furnish to the other parties in writing. Copies of each such notice shall be given to the Agent at 135 South LaSalle Street, Chicago, Illinois 60690, attention of Corporate Trust Department and to Tiger at 200 East Randolph Drive (Suite 5500), Chicago, Illinois 60601, attention of Vice President-Law.

§ 22. SEVERABILITY

Any provision of this Lease which is prohibited or unenforceable in any jurisdiction, shall be, as to such jurisdiction, ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof. Any such prohibition or unenforceability shall not invalidate or render unenforceable such provision in any other jurisdiction.

§ 23. EFFECT AND MODIFICATION OF LEASE

Except for the Participation Agreement and the Indemnity Agreement, this Lease exclusively and completely states the rights of the Trustee and the Lessee with respect to the leasing of the Units and supersedes all other agreements, oral or written, with respect thereto. No variation or modification of this Lease and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized officers for the Trustee and the Lessee.

§ 24. THIRD-PARTY BENEFICIARIES

Nothing in this Lease shall be deemed to create any right in any person not a party hereto other than the Agent, the Investors, NACC and the permitted successors and assigns of such parties, and this instrument shall not be construed in any respect to be a contract in whole or in part for the benefit of a third party, except as aforesaid.

§ 25. EXECUTION

This Lease may be executed in any number of counterparts, all of which together shall constitute a single instrument, but the counterpart delivered to the Agent pursuant to the Lease Assignment shall be deemed to be the original counterpart. Although for convenience this Lease is dated as of the date first above written, the actual dates of execution hereof by the parties hereto are the dates stated in the acknowledgments hereto annexed.

§ 26. GOVERNING LAW

This Lease shall be governed by and construed in accordance with the laws of the State of Minnesota; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. § 11303.

§ 27. IMMUNITIES; NO RECOURSE

No recourse shall be had in respect of any obligation due under this Lease or referred to herein against any incorporator, stockholder, director or officer, as such, past, present or future, of the parties hereto or of the Owner, whether by virtue of any constitutional provision, statute or rule of law or by enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitutional provision, statute or otherwise, of such incorporators, stockholders, directors or officers, as such, being forever released as a condition of and as consideration for the execution of this Lease.

Each and all of the representations, warranties, covenants, undertakings and agreements herein made on the part of the financial institution acting as Trustee hereunder are made and intended not as personal representations, warranties, covenants, undertakings and agreements by said institution or for the purpose or with the intention of binding said institution personally but are made and intended for the purpose of binding only the Trust Estate (as such term is used in the Trust Agreement) and this Agreement is executed and delivered by said institution solely in the exercise of the powers expressly conferred upon said institution as trustee under the Trust Agreement; and no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against said institution or the Owner on account of any representation, warranty, covenant, undertaking or agreement herein of the Trustee (except in the case of gross negligence or wilful misconduct of the Trustee), either expressed or implied, all such personal liability, if any, being expressly waived and released by the Lessee and by all persons claiming by, through or under the Lessee; provided, however, that the Lessee or any person claiming by, through or under the Lessee making claim hereunder may look to said Trust Estate for satisfaction of the same.

§ 28. AGREEMENTS FOR BENEFIT OF TRUSTEE'S ASSIGNS

All rights of the Trustee hereunder (including but not limited to its rights under §§ 6, 7, 9, 12, 13, 14 and 17 and the right to receive the rentals payable under this Lease) shall inure to the benefit of the Trustee and any of the Trustee's assigns (including the Agent), except for the rights of indemnity excluded in Section 1 of the Lease Assignment.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by duly authorized officers as of the date first above written.

CARGILL, INC.,

by _____

[Corporate Seal]

Attest:

EXCHANGE NATIONAL BANK OF CHICAGO,
not in its individual capacity but
solely as Trustee under a Trust
Agreement dated as of June 15, 1980

by _____

[Seal]

Attest:

STATE OF MINNESOTA,)
) ss.:
COUNTY OF ,)

On this day of October 1980, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is of CARGILL, INC., a Delaware corporation, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My Commission expires

STATE OF ILLINOIS,)
) ss.:
COUNTY OF COOK,)

On this day of October 1980, before me personally appeared , to me personally known, who, being by me duly sworn, says that he is a of EXCHANGE NATIONAL BANK OF CHICAGO, a national banking association, that one of the seals affixed to the foregoing instrument is the seal of said national banking association, that said instrument was signed and sealed on behalf of said national banking association by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national banking association.

Notary Public

[Notarial Seal]

My Commission expires

APPENDIX A TO THE LEASE

Units of Equipment

<u>Type</u>	<u>Quantity</u>	<u>Lessee's Identification Numbers (Both Inclusive)</u>
4,750 cu. ft. lined covered hopper cars	145	NAHX 485876-486020

APPENDIX B TO THE LEASE

Casualty Values

<u>Casualty Payment Dates</u>	<u>Percentage of Purchase Price</u>	<u>Casualty Payment Dates</u>	<u>Percentage of Purchase Price</u>
1	106.9005	41	105.0494
2	107.0714	42	104.8417
3	107.2486	43	104.6309
4	107.1682	44	104.4718
5	107.2597	45	104.3590
6	107.3501	46	104.3009
7	107.4395	47	104.2930
8	107.5396	48	104.2869
9	107.6507	49	104.3412
10	107.7760	50	104.4517
11	107.9157	51	104.5687
12	108.0589	52	102.3736
13	108.2209	53	102.0846
14	108.4020	54	101.7920
15	108.5900	55	101.4958
16	107.7449	56	101.2594
17	107.7280	57	101.0764
18	107.7094	58	100.9561
19	107.6890	59	100.8930
20	107.6962	60	100.8313
21	107.7290	61	100.8380
22	107.7927	62	100.9083
23	107.8855	63	100.9846
24	107.9814	64	98.5112
25	108.1132	65	98.1453
26	108.2796	66	97.7752
27	108.4528	67	97.4010
28	107.0695	68	97.0922
29	106.9557	69	96.8418
30	106.8396	70	96.6598
31	106.7209	71	96.5399
32	106.6433	72	96.4208
33	106.6027	73	96.3758
34	106.6063	74	96.3994
35	106.6506	75	96.4286
36	106.6975	76	93.7591
37	106.7938	77	93.3243
38	106.9368	78	92.8848
39	107.0865	79	92.4407
40	105.2540	80	92.0656

<u>Casualty</u> <u>Payment Dates</u>	<u>Percentage</u> <u>of</u> <u>Purchase Price</u>	<u>Casualty</u> <u>Payment Dates</u>	<u>Percentage</u> <u>of</u> <u>Purchase Price</u>
81	91.7517	124	67.8711
82	91.5096	125	67.2406
83	91.3324	126	66.6024
84	91.1554	127	65.9565
85	91.0561	128	65.3709
86	91.0282	129	64.8384
87	91.0054	130	64.3689
88	88.2191	131	63.9556
89	87.7244	132	63.5387
90	87.2247	133	63.1897
91	86.7198	134	62.9025
92	86.2852	135	62.6158
93	85.9128	136	60.0700
94	85.6134	137	59.4034
95	85.3799	138	58.7285
96	85.1462	139	58.0452
97	84.9912	140	57.4153
98	84.9086	141	56.8321
99	84.8307	142	56.3047
100	82.0042	143	55.8270
101	81.4592	144	55.3446
102	80.9083	145	54.9224
103	80.3513	146	54.5549
104	79.8633	147	54.1863
105	79.4362	148	51.8623
106	79.0809	149	51.1664
107	78.7902	150	50.4617
108	78.4981	151	49.7480
109	78.2833	152	49.0790
110	78.1395	153	48.4490
111	77.9991	154	47.8657
112	75.2007	155	47.3240
113	74.6104	156	46.7767
114	74.0132	157	46.2799
115	73.4092	158	45.8291
116	72.8709	159	45.3758
117	72.3905	160	43.3099
118	71.9786	161	42.5874
119	71.6280	162	41.8556
120	71.2752	163	41.1145
121	70.9960	164	40.4085
122	70.7843	165	39.7329
123	70.5747	166	39.0942

<u>Casualty Payment Dates</u>	<u>Percentage of Purchase Price</u>
167	38.4881
168	37.8756
169	37.3033
170	36.7672
171	36.2273
172	34.4308
173	33.6808
174	32.9212
175	32.1519
176	31.4077
177	30.6849
178	29.9888
179	29.3160
180	28.5909

ANNEX D
to the
Conditional Sale Agreement

[CS&M Ref. 4876-024]

ASSIGNMENT OF LEASE AND AGREEMENT

Dated as of June 15, 1980

Between

EXCHANGE NATIONAL BANK OF CHICAGO,
not in its individual capacity but solely
as Trustee under a Trust Agreement
dated as of the date hereof with
The Bank of New York,

and

LA SALLE NATIONAL BANK,
as Agent.

ASSIGNMENT OF LEASE AND AGREEMENT
dated as of June 15, 1980, between EXCHANGE
NATIONAL BANK OF CHICAGO, a national banking
association, acting not in its individual
capacity but solely as trustee (the "Trustee")
under a Trust Agreement dated as of the date
hereof (the "Trust Agreement") with THE BANK
OF NEW YORK, (the "Owner"), and LA SALLE
NATIONAL BANK, a national banking association,
as agent (the "Agent") under a Participation
Agreement dated as of the date hereof
(the "Participation Agreement").

The Trustee is entering into a Conditional Sale
Agreement dated as of the date hereof (the "CSA") with
NORTH AMERICAN CAR CORPORATION ("NACC"), providing for the
conditional sale to the Trustee by NACC of such units of
railroad equipment (the "Units") described in Annex B to the
CSA as are delivered, accepted and settled for thereunder.

CARGILL, INC. (the "Lessee") and the Trustee have
entered into a Lease of Railroad Equipment dated as of the
date hereof (the "Lease") providing for the leasing by the
Trustee to the Lessee of the Units.

The Trustee will assign certain of its rights
under the Lease to the Agent in order to secure the
obligations of the Trustee under the CSA and as an
inducement to the Investors (as defined in the Participa-
tion Agreement) to invest in the CSA Indebtedness (as
defined in Section 4.3(b) of the CSA).

In consideration of the agreements hereinafter
set forth, the parties hereto hereby agree as follows:

1. The Trustee hereby transfers and assigns
to the Agent, as collateral security for the payment and
performance of the obligations of the Trustee under the
CSA, all the Trustee's right, title and interest, powers,
privileges and other benefits under the Lease (except any
amounts of indemnity payable to the Trustee in its indivi-
dual capacity and any indemnity payments made pursuant to
the Indemnity Agreement dated as of the date hereof between
the Lessee and the Owner), including without limitation the
immediate right to receive and collect all rentals, profits
and other sums payable to or receivable by the Trustee from
the Lessee under or pursuant to the provisions of the

Lease, whether as rent, casualty payment, indemnity, liquidated damages or otherwise (such moneys called the "Payments"), the right to make all waivers and agreements and to give all notices, consents and releases (subject to Section 11 hereof), to take all action upon the happening of an Event of Default specified in the Lease and to do any and all other things whatsoever which the Trustee is or may become entitled to do under the Lease. In furtherance of the foregoing assignment, the Trustee hereby irrevocably authorizes and empowers the Agent in its own name or in the name of its nominee or in the name of the Trustee or as its attorney to demand, sue for and collect any and all Payments to which the Trustee is or may become entitled under the Lease and to enforce compliance by the Lessee with all the terms and provisions thereof.

The Agent agrees to accept any Payments made by the Lessee for the account of the Trustee pursuant to the Lease. To the extent received, the Agent will apply such Payments to satisfy the obligations of the Trustee under the CSA and, so long as no event of default under the CSA or event which with notice or lapse of time or both would constitute an event of default thereunder shall have occurred and be continuing, any balance shall be paid to the Trustee on the same date such Payment is applied to satisfy such obligations of the Trustee by bank wire to the Trustee at such address as may be specified to the Agent in writing, and such balance shall be retained by the Trustee. If the Agent shall not receive any rental payment under § 3.1 of the Lease when due, the Agent shall notify the Trustee at the address set forth in the Lease; provided, however, that the failure of the Agent to so notify the Trustee shall not affect the obligations of the Trustee hereunder or under the CSA.

2. This Assignment is executed only as security and, therefore, the execution and delivery of this Assignment shall not subject the Agent to or transfer or in any way affect or modify the liability of the Trustee under the Lease. Notwithstanding this Assignment or any subsequent assignment, all obligations of the Trustee to the Lessee shall be and remain enforceable by the Lessee, its successors and assigns against and only against the Trustee or persons other than the Agent.

3. The Trustee will faithfully perform each and every obligation, covenant and agreement which the Lease provides is to be performed by the Trustee and, without the written consent of the Agent, will not anticipate the rents under the Lease or waive, excuse, condone, forgive or in any manner release or discharge the Lessee thereunder of or from the obligations, covenants, conditions and agreements to be performed by the Lessee (including without limitation the obligation to pay the rents in the manner and at the time and place specified therein), or enter into any agreement amending, modifying or terminating the Lease. Any amendment, modification or termination of the Lease without the Agent's consent shall be void; provided, however, that the Agent shall be deemed to have consented to any agreement in writing between the Lessee and the Trustee increasing or decreasing the rentals and casualty values payable pursuant to §§ 3 and 7 of the Lease so long as the amounts payable thereunder are not reduced below those necessary to satisfy the obligations of the Trustee under the CSA.

4. The Trustee hereby constitutes the Agent the Trustee's true and lawful attorney, irrevocably, with full power (in the name of the Trustee or otherwise) to demand and receive any and all Payments due and to become due under or arising out of the Lease to which the Trustee is or may become entitled, to enforce compliance by the Lessee with all the terms and provisions of the Lease, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which the Agent may deem to be necessary or advisable.

5. Upon the full discharge and satisfaction of all sums due from the Trustee under the CSA, this Assignment and all rights herein assigned to the Agent shall terminate, and all right, title and interest of the Agent in and to the Lease shall revert to the Trustee. Promptly following such full discharge and satisfaction, the Agent will advise the Lessee in writing that all sums due from the Trustee under the CSA have been fully discharged and satisfied and instruct the Lessee that no further payments under the Lease are to be made to the Agent.

6. The Trustee will pay and discharge any and all claims, liens, charges, security interests or other

encumbrances (other than those created by the CSA) on the Lease or the rentals or other payments due or to become due thereunder claimed by any party from, through or under the Trustee or the Owner or their successors and assigns (other than the Agent) not arising out of the transactions contemplated by the CSA or the Lease (but including tax liens arising out of the receipt of the rentals and the other payments under the Lease and any other proceeds from the Units) which if unpaid might become a claim, lien, charge, security interest or other encumbrance on or with respect to the Lease or such rentals or other payments equal or superior to the Agent's interest therein, unless the Trustee or the Owner shall be contesting the same in good faith by appropriate proceedings in any reasonable manner and the nonpayment thereof does not, in the reasonable opinion of the Agent, adversely affect the interest of the Agent hereunder.

7. The Trustee will from time to time execute, acknowledge and deliver any and all further instruments required by law or reasonably requested by the Agent in order to confirm or further assure the interest of the Agent hereunder.

8. The Agent may assign all or any of the rights assigned to it hereby or arising under the Lease, including without limitation the right to receive any Payments due or to become due. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the obligations of the Agent hereunder.

9. This Assignment shall be governed by and construed in accordance with the laws of the State of Illinois, but the parties shall be entitled to all rights conferred by 49 U.S.C. § 11303.

10. The Trustee shall cause copies of all notices received in connection with the Lease and all Payments hereunder to be promptly delivered or mailed to the Agent at its address set forth in Article 22 of the CSA or at such other address as the Agent shall designate.

11. So long as no event of default under the CSA has occurred and is continuing, the Agent will not exercise or seek to exercise any of the rights, powers, privileges, authorizations or benefits which are assigned and

transferred by the Trustee to the Agent by this Assignment, except the right to receive and apply the Payments as provided in Section 1 hereof, and the Trustee may exercise or seek to exercise its rights, powers, privileges and remedies arising out of § 13.1(a) of the Lease; provided, however, that the Trustee shall not terminate the Lease or otherwise exercise or seek to exercise any rights, powers, privileges and remedies arising out of § 13.1(b) of the Lease without the prior written consent of the Agent.

12. Each and all of the representations, warranties, covenants, undertakings and agreements herein made on the part of the financial institution acting as Trustee hereunder are made and intended not as personal representations, warranties, covenants, undertakings and agreements by said institution or for the purpose or with the intention of binding said institution personally but are made and intended for the purpose of binding only the Trust Estate (as such term is used in the Trust Agreement) and this Agreement is executed and delivered by said institution solely in the exercise of the powers expressly conferred upon said institution as trustee under the Trust Agreement; and no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against said institution on account of any representation, warranty, covenant, undertaking or agreement herein of the Trustee (except in the case of gross negligence or wilful misconduct of the Trustee), either expressed or implied, all such personal liability, if any, being expressly waived and released by the Agent and by all persons claiming by, through or under the Agent; provided, however, that the Agent or any person claiming by, through or under the Agent making claim hereunder may look to said Trust Estate for satisfaction of the same.

13. This Assignment may be executed in any number of counterparts, all of which together shall constitute a single instrument, but the counterpart delivered to the Agent shall be deemed to be the original counterpart. Although for convenience this Assignment is dated as of the date first above written, the actual dates of execution

hereof by the parties hereto are the dates stated in the acknowledgments hereto annexed.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by duly authorized officers as of the date first above written.

EXCHANGE NATIONAL BANK OF
CHICAGO, not in its individual
capacity but solely as Trustee
under a Trust Agreement dated
as of June 15, 1980,

by

[Seal]

Attest:

LA SALLE NATIONAL BANK,

by

[Seal]

Attest:

STATE OF ILLINOIS,)
) ss.:
COUNTY OF COOK,)

On this day of October 1980, before me
personally appeared
to me personally known, who, being by me duly sworn, says
that he is a of EXCHANGE NATIONAL BANK OF
CHICAGO, a national banking association, that one of the
seals affixed to the foregoing instrument is the seal of
said national banking association, that said instrument was
signed and sealed on behalf of said national banking
association by authority of its Board of Directors and he
acknowledged that the execution of the foregoing instrument
was the free act and deed of said national banking
association.

Notary Public

[Notarial Seal]

My Commission expires

STATE OF ILLINOIS,)
) ss.:
COUNTY OF COOK,)

On this day of October 1980, before me
personally appeared
to me personally known, who, being by me duly sworn, says
that he is a of LA SALLE NATIONAL BANK, a
national banking association, that one of the seals affixed
to the foregoing instrument is the seal of said national
banking association, that said instrument was signed and
sealed on behalf of said national banking association by
authority of its Board of Directors and he acknowledged
that the execution of the foregoing instrument was the free
act and deed of said national banking association.

Notary Public

[Notarial Seal]

My Commission expires

CONSENT AND AGREEMENT

CARGILL, INC., a Delaware corporation (the "Lessee"), the lessee named in the Lease of Railroad Equipment (the "Lease") referred to in the foregoing Assignment of Lease and Agreement (the "Lease Assignment"), hereby acknowledges receipt of a copy of the Lease Assignment and consents to all the terms and conditions of the Lease Assignment and agrees that:

(1) it will pay all Payments (as defined in the Lease Assignment) payable under the Lease directly to LA SALLE NATIONAL BANK, as agent (the "Agent"), the assignee named in the Lease Assignment, at 135 South LaSalle Street, Chicago, Illinois 60690, attention of Corporate Trust Department (or at such other address as may be furnished in writing to the Lessee by the Agent);

(2) the Agent shall be entitled to the benefits of and to receive and enforce performance of all the covenants to be performed by the Lessee under the Lease as though the Agent were named therein as the Trustee; and the Agent shall not by virtue of the Lease Assignment be or become subject to any liability or obligation under the Lease or otherwise; and

(3) without the prior written consent of the Agent, the Lease shall not be terminated or modified nor shall any action be taken or omitted by the Lessee which might result in an alteration or impairment of the Lease or the Lease Assignment or this Consent and Agreement or of any of the rights created by any thereof.

This Consent and Agreement, when accepted by the Agent by signing the acceptance at the foot hereof, shall be deemed to be a contract for the benefit of the Agent and its successors and assigns under the laws of the State of Minnesota and for all purposes shall be construed in accordance with the laws of said state.

CARGILL, INC.,

by _____

[Corporate Seal]

Attest:

The foregoing Consent and Agreement is hereby
accepted as of the fifteenth day of June 1980.

LA SALLE NATIONAL BANK,

by
